

CANADA

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OFFICIAL REPORT

THIRD SESSION—TWENTY-EIGHTH PARLIAMENT

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COMPRISING THE PERIOD FROM THE TWENTY-NINTH DAY OF NOVEMBER, 1971,
TO THE SIXTEENTH DAY OF FEBRUARY, 1972, INCLUSIVE

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HOUSE OF COMMONS

Monday, November 29, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

PROCEDURE AND ORGANIZATION

Ninth report of Standing Committee on Procedure and Organization—Mr. Blair.

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

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CANADA DEVELOPMENT CORPORATION

ANNOUNCEMENT OF FIRST MEETING OF BOARD—TABLING OF LIST OF DIRECTORS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wish to announce that following proclamation of the Canada Development Corporation Act, the first meeting of directors of the corporation was held today in Ottawa. Under the legislation the government must designate the initial head office. This is to be at Ottawa, but the government has made known to the board of directors its wish to see the location of the head office moved to Vancouver, British Columbia, within two years.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Trudeau: At this morning's meeting, the directors elected Mr. H. Anthony Hampson as chairman of the board, and Mr. M. A. Crowe as president.

Mr. Speaker, under Standing Order 41(2), I should like to table the list of directors, together with biographical notes.

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AGRICULTURE

LOSSES SUSTAINED BY CERTAIN QUEBEC PRODUCERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, under the provisions of Standing Order 43, I would like to move a motion on an important and urgent matter.

A study and measures are urgently needed in order to help hog, egg or turkey producers whose returns for their production were not high enough during the past year, and who were forced to pay for the feed they used prices out of proportion with the selling price of their production, because of an inadequate cereal policy in Quebec and the Atlantic provinces, producers in Quebec alone having incurred a $16 million deficit in 1971.

Therefore, I move, seconded by the hon. member for Portneuf (Mr. Godin):

That the House immediately undertakes a study on the whole matter of the deficit incurred in the last twelve months by hog, egg or turkey producers in Quebec, and on the government cereal policy in order to invite the Department of Agriculture of Canada to co-operate financially with the government of Quebec in giving producers compensation for losses incurred and avoiding numerous bankruptcies in that area.

• (2:10 p.m.)

Mr. Speaker: The House has heard the motion moved by the Hon. member. There must be unanimous consent of the House under the provisions of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

[*English*]

YOUTH

PROPOSED STANDING COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to move a motion of urgent and pressing necessity. I do so, Mr. Speaker, in light of a proposal over the weekend by the Secretary of State (Mr. Pelletier) regarding what is called a domestic peace corps style program as well as the necessity to study the report of the task force on youth. In light of this, I move, seconded by the hon. member for Assiniboia (Mr. Knight):

That this House establish a Standing Committee on Youth in order that there be a continuous study of steps and proposals that might be undertaken for the development and participation of young people in our society.

Mr. Speaker: This motion is also proposed under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion will not be put at this time.

Questions

FINANCE

LOAN PROGRAM TO CREATE JOBS—TABLING OF INFORMATION ON METHOD OF CALCULATING PROVINCIAL ALLOCATIONS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on October 28 the hon. member for York South (Mr. Lewis) asked a question of the Minister of Finance (Mr. Benson) regarding the method of calculating provincial allocation of the $160 million employment loan fund. I would like to table copies of statements in English and French setting forth the basis.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

BAY OF FUNDY—ATLANTIC TIDAL POWER

Question No. 1,640—**Mr. Coates:**

1. Have any meetings been held since July 1, 1971, between the Minister of Energy, Mines and Resources, or any of his officials, and the Premiers of Nova Scotia and New Brunswick, or their representatives, with regard to the terms of reference covering the re-examination of the 1969 Fundy Tidal Programming Board Report and, if so (a) on what dates were such meetings held (b) who attended the meetings?

2. Have satisfactory terms of reference been agreed to by the three governments involved and, if so (a) on what date were they finalized (b) what are the terms of reference?

3. (a) What are the names of the individuals who will carry out the re-examination (b) what are their respective positions (c) were they involved in the original examination?

4. If satisfactory terms of reference have been agreed to, has work started on the re-examination and if no agreement has been reached, will a meeting be held by the parties involved to discuss the matter and, if so, on what date?

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Energy, Mines and Resources): 1. There have been no meetings between the Minister of Energy, Mines and Resources or any federal officials and Premiers or officials of New Brunswick and Nova Scotia to discuss terms of reference pertaining to a proposed review of the 1969 Atlantic Tidal Power Programming Board Report.

2 and 3. No agreement has yet been reached on the terms of reference for a Review Board. Draft terms of reference were proposed by the federal government on April 7, 1971. The Premiers of New Brunswick and Nova Scotia have recently written to the Minister of Energy, Mines and Resources outlining specific proposals for setting up of a tidal power Board of Review including suggestions relating to membership; the full membership has however not as yet been selected.

4. It is anticipated that the proposed Board of Review will meet at an early date following naming of its membership.

DEPARTMENT OF FINANCE—ECONOMIC FORECASTING

Question No. 1,664—**Mr. Saltsman:**

1. How many professional economists, who are public servants, are currently engaged in economic forecasting in the Department of Finance?

[Mr. Speaker.]

2. What are their classification levels and salary ranges?

3. How many consultants and others engaged under contract were retained by the Department of Finance for economic forecasting in the fiscal year 1970-71?

4. What were the names of such consultants and how much were they paid in the fiscal year 1970-71?

Hon. E. J. Benson (Minister of Finance): 1, 2, 3 and 4. For the purposes of this question economic forecasting may be defined as the projection of the aggregate condition of the economy. In the Department of Finance the Economic Analysis Division has prime responsibility for this function and 16 officers devote at least some portion of their time to this activity. Of this group, six public servants are currently engaged full-time in the activity at the following levels and salary ranges, and no consultants or contract personnel were retained for this purpose in the fiscal year 1970-71.

Classification	Number	Salary Range
Economist-Statistician 1	4	$ 6,960–$14,192
Economist-Statistician 2	1	15,236– 20,557
Economist-Statistician 4	1	23,220– 25,785

TASK FORCE REPORT ON AGRICULTURE

Question No. 1,848—**Mr. Yewchuk:**

1. For each year, 1968 to 1970 inclusive, how many farmers have migrated from the farm?

2. How many of these farmers are presently receiving (a) unemployment insurance (b) social welfare?

3. Did farmers assist in the compilation of the Task Force Report on Agriculture and, if not, for what reason?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by several departments as follows: 1. Information not available.

2. (a) and (b) Information not available.

3. Farmers and farmers' organizations were consulted on a regular basis by the Task Force members and participated in large numbers (over 50 per cent of delegates) in a Canadian Congress on Agriculture which was convened by the Task Force just before their final report was drafted.

PRIVY COUNCIL OFFICE PERSONNEL

Question No. 1,902—**Mr. MacDonald (Egmont):**

How many people are presently employed in the Privy Council Office and how many obtained their positions following a normal public service competition for the openings available?

Mr. Barnett J. Danson (Parliamentary Secretary to the Prime Minister): A total of 238 personnel are employed in the Privy Council Office. Appointments were made in accordance with the provisions of the Public Service Employment Act. Officer appointments are made, according to merit, by the Public Service Commission through competition or other processes of selection from within the Public Service or from outside. Support staff positions are filled by the Privy Council Office under delegated staffing authority from the Public Service Commission and are subject to audit. New support staff members are recruited from outside the Public Service, on merit, through referrals by the local Canada Manpower Centres unless the Regional Office of the Public Service Commis-

sion advises that there are qualified candidates available from lay-off lists, lateral transfer lists or interdepartmental competitions.

CANADOME PROGRAM

Question No. 1,904—**Mr. MacDonald (Egmont):**

What is being done with the Canadome program during the winter, and are there any plans to make these facilities available for primary and secondary schools during the school year?

Hon. Martin P. O'Connell (Minister of State): The three Canadome displays will be held in storage during the winter months, but material printed for distribution in the Canadomes will continue to be distributed. Plans for the utilization of the Canadomes next year have not yet been finalized.

BANKRUPTCIES

Question No. 1,913—**Mr. Latulippe:**

1. Since January 1, 1969, how many (a) limited (b) incorporated companies declared bankruptcy?

2. What amount did the government lose in taxes from these bankruptcies?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Consumer and Corporate Affairs and National Revenue, Customs and Excise as follows: 1. From January 1, 1969 to September 30, 1971, 2287 corporate bankruptcies were declared. No distinction is made between limited and incorporated companies in the records of the Bankruptcy Branch. Details of the above are as follows:

Year	Number of Corporate Bankruptcies Filed
1969	741
1970	946
1971 to date	600
Total	2287

2. The Government lost $190,173.01 in taxes from bankruptcies, broken down as follows: Limited companies, $116,862.57; incorporated companies, $73,310.44.

EMPLOYMENT STATISTICS

Question No. 1,930—**Mr. Latulippe:**

1. To date, in 1971, how many people did not find jobs after they finished school?

2. How many women work while their husband is (a) unemployed (b) employed?

3. How many people are working after the normal retirement age?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of Manpower and Immigration as follows: 1. A special survey of the labour force has indicated that among persons aged 14 to 24, full-time students in March 1971 who did not plan to return to school, 67,000 were unemployed in the reference week ended September 18, 1971.

2. In September 1971 the number of married women who were employed was 1,591,000. There is no information on the employment status of their husbands.

3. In the reference week ended September 18, the number of persons who were over 65 years of age and were employed totalled 187,000.

OFFSHORE OIL EXPLORATION PERMITS

Question No. 1,937—**Mr. Forrestall:**

1. In each of the past five years, how many exploration permits have been issued by the federal authority for oil off Canada's East Coast?

2. What revenues have been collected from such permits for each year?

3. Was this revenue shared with the Atlantic Provinces and (a) if so, under what formula (b) if not, for what reason?

4. What arrangements exist between the federal and provincial authorities for the granting of parallel exploration permits?

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Energy, Mines and Resources):

1.

Year	Number Permits Issued
1967	361
1968	748
1969	949
1970	396
1971 to date	399
	2,853

2.

Year	Total
1967	$ 114,749.89
1968	418,625.95
1969	378,300.10
1970	218,267.75
1971 to date	136,087.90
Total	$1,266,031.59

3. (a) No. (b) No revenue sharing arrangement has been reached with the provinces as yet.

4. None.

AGRICULTURE—FINANCIAL ASSISTANCE UNDER GRASSLAND INCENTIVE PROGRAM

Question No. 1,963—**Mr. Horner:**

Has the Minister responsible for the Wheat Board received any applications for financial assistance under the re-grassing program announced earlier this year and, if so (a) how many (b) what amount has been paid to date?

Hon. H. A. Olson (Minister of Agriculture): The Grassland Incentive Program is financed and operated in the Department of Agriculture. (a) 18,600 claims have been received. (b) $8,343,099 has been paid to November 5, 1971.

Questions

AMCHITKA NUCLEAR BLAST

Question No. 1,966—**Mr. Yewchuk:**

1. What action is being taken by the government to protect the Canadian people and wildlife against possible damage resulting from the Amchitka nuclear blast?

2. Has any information been exchanged and have any discussions been held between Defence Research Board and the United States Atomic Energy Commission concerning the Amchitka nuclear test and, if so, on what date?

3. What role was played by the Canadian members of the Arctic Institute of North America regarding the test?

4. Does the AINA report regularly to the government and, if so, what was the stand taken by the AINA concerning the nuclear test at Amchitka?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of the Environment and the Department of National Defence as follows: 1. Several monitoring devices were used to ensure the early detection of any threats to the Environment.

2. No.

3. None. A number of Defence Research Board employees are members of the Arctic Institute of North America but such memberships are held on a purely personal basis.

4. AINA does not report to the Government regularly and has taken no stand on the Cannikin Test.

AINA reports to the Defence Research Board only on the results of specific research contracts which may from time to time be awarded to it.

CRIMINAL CODE—AMENDMENT TO SECTIONS CONCERNING DRINKING

Question No, 1,973—**Mr. Robinson:**

Will the government consider an amendment to the sections of the Criminal Code concerning drinking to allow convicted drivers who earn their living by driving, to drive during their business hours on business only during the period that their licence has been suspended?

Hon. John N. Turner (Minister of Justice): Yes.

ESKIMO POPULATION

Question No. 1,983—**Mr. Robinson:**

How many Eskimos are there in each province?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): The Eskimo population by Province is as follows:

Newfoundland (Labrador)	1,250**
P.E.I.	—
Nova Scotia	4*
New Brunswick	—
Quebec (Arctic Quebec)	3,200**
Ontario	212*
Manitoba	365**
Saskatchewan	2*
Alberta	85*
British Columbia	25*
Yukon Territory	40*
Northwest Territories	11,050***

* Information obtained from D.B.S. 1961 Census
** Information obtained in Canada Year Book 1970-71
*** Information obtained from Government of Northwest Territories December 1970.

PORNOGRAPHIC LITERATURE

Question No. 1,985—**Mr. Robinson:**

Will the government take steps to prevent pornographic literature from coming into Canada from Denmark?

Hon. Herb Gray (Minister of National Revenue): In so far as the Department of National Revenue, Customs and Excise is concerned: The importation of literature of this nature, as described in Item 99201-1 of Schedule "C" of the Customs Tariff, is prohibited under Section 14 of this Tariff. (RSC 1970)

ESTIMATED TOTAL INCOME OF CANADIANS FOR YEAR 1971

Question No. 1,990—**Mr. Mather:**

1. What is the estimated total income of all Canadians for this year?

2. What is the estimated total amount in dollars to be paid by Canadians in interest payments of all kinds this year?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1. National Accounts income estimates are available only for the first half of 1971. According to the second quarter National Accounts, total personal income in Canada in the first half of 1971, not adjusted for seasonality, amounted to $34,326 million.

2. Estimates of interest payments made by Canadians are not made. The total of interest, dividends and miscellaneous investment income received by Canadians in the first half of 1971 was $2,848 million.

LOSS OF FISHING RIGHTS DUE TO ESTABLISHMENT OF NATIONAL PARK, KENT COUNTY, N.B.

Question No. 1,996—**Mr. Smith (Northumberland-Miramichi):**

1. How many fishermen lost fishing rights due to the establishment of a National Park in Kent County, N.B.?

2. Of these, how many have received payment from the Government of Canada to compensate for such loss?

3. What was (a) the highest payment made to a fisherman (b) the lowest (c) the average?

4. What criterion was used to determine the amount of compensation to be paid?

5. Did departmental agents, in interviewing the fishermen relative to this matter, advise such fishermen in all cases of the purpose of such interview?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. One hundred and seventy eight.

2. One hundred and sixty.

3. (a) $10,676.60; (b) $21.00; (c) $1,576.57.

4. Loss of annual income derived from the catch and reduced value of individual investment in commercial fishing equipment and oyster lease improvements.

5. The fishermen when interviewed were being advised that the information requested was in connection with the establishment of a National Park.

BEEF EXPORT MARKET

Question No. 2,001—**Mr. Southam:**

In view of the recent report of Statistics Canada that the Canadian beef cattle population is at an all-time high, what initiatives is the government taking to expand still further our export markets for beef and beef products with a view to keeping this industry in a healthy state economically?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The Department of Industry, Trade and Commerce is actively promoting beef products in export markets through various means such as: (a) Incoming and outgoing missions program; (b) exhibits at international shows and exhibitions; (c) export oriented training program; (d) incoming businessmen's program; (e) special promotional functions initiated by individual Trade Commissioners; (f) identification of potential export markets through market surveys.

FEDERAL ASSISTANCE TO CONSTRUCTION OF GLACE BAY HEAVY WATER PLANT

Question No. 2,007—**Mr. Lambert (Bellechasse):**

Did the government contribute financially to the construction of the heavy water plant in Glace Bay, Nova Scotia and, if so, what amount was involved?

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy of Canada Limited advises as follows: No.

HIGHWAY SAFETY—MOTOR VEHICLE REAR VISION

Question No. 2,018—**Mr. Ryan:**

Is the Department of Transport going to instal rear vision scopes on its cars in different locations in Canada to test their feasibility under our differing weather and driving conditions with a view to requiring their installation in all motor vehicles?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Department of Transport has purchased vehicles for experimental purposes and various rear vision aids will be installed for evaluation. Upon completion of this study, the Department may propose improved performance standards for rear vision.

CANADA COUNCIL—GRANT FOR THE "WHOLE EARTH PROJECT"

Question No. 2,020—**Mr. Penner:**

1. Has the Canada Council made a grant of $10,000 to Mr. Patrick Watson for the "Whole Earth Project" and, if so, for what reason?

2. How many people are to be employed on this project?

3. How is the money to be used?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canada Council as follows: 1. Yes. A special grant was made in November, 1970, to assist the research stages of an innovative programming concept for television, being developed by Mr. Watson and his associates.

2. Four people received support from the grant.

3. The grant was used for the remuneration of persons involved in the development of the project, and to defray certain costs associated with efforts to interest other organizations in the financing of a pilot program and in eventual full-scale production.

[*English*]

FLOUR MILLING INDUSTRY

Question No. 2,023—**Mr. Southam:**

Has the statement of Mr. Ken Sarsons, Director of Saskatchewan Wheat Pool's Industrial Division that "the Canadian flour milling industry is facing a serious economic situation due to rising freight costs, inflation and stronger competition in other countries" been brought to the attention of the government and, if so, what steps is the government taking to save this industry?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): The statement of Mr. Sarsons has been brought to the Government's attention. The Government has assisted this industry as follows: (a) increased the quantity of flour in the foreign aid program; (b) encouraged Canadian flour milling companies to establish mills in foreign countries in order to preserve their markets overseas; (c) encouraged companies to diversify; (d) offered to assist in the rationalization of the industry; (e) conducted a seminar to explain the full range of government services available to assist the industry in adjusting to changing environment; (f) conducted a study of the entire grain distribution system and is now holding discussions with grain handlers and railways on ways to attain greater efficiency in this area.

CRIMINAL CODE—AMENDMENT TO SECTION 237

Question No. 2,026—**Mr. Robinson:**

Is the government considering an amendment to section 237 of the Criminal Code so that all references to therapeutic abortion committees will be omitted?

Hon. John N. Turner (Minister of Justice): Consideration of proposals of this nature is being left in abeyance until after the special debate on abortion is held.

POST OFFICE—OVERTIME WORK HOURS

Question No. 2,031—**Mr. Mather:**

1. To date what has been the number of overtime work hours of employees of the Post Offices of Canada in 1971?

2. What was the number of overtime work hours in 1968 for the same service?

Hon. Jean-Pierre Côté (Postmaster General): Overtime records are maintained on a fiscal year basis and answers are therefore prepared on the same basis. 1. 867,518 overtime hours for first six months of current fiscal year.

2. 1,793,002 overtime hours for fiscal year 1967-68.

CANADIAN TRADE WITH FRANCE

Question No. 2,038—**Mr. Robinson:**

What was the total of Canadian exports to France in 1970 and 1971 and what was the total of imports form France in each of the same years?

Questions

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Canadian trade with France for the years 1970 and 1971:

Exports to France		Imports from France	
Year	$'000	Year	$'000
1970	157,198	1970	158,358
1971 (8 months)	103,214	1971 (8 months)	133,448

CANADA'S CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

Question No. 2,050—**Mr. Robinson:**

What has been Canada's contribution to the Inter-American Development Bank and what are the interest and repayment arrangements?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Canada has not made any contributions to the Bank, as such. However, as of September of this year, Canada has made available to the Inter-American Development Bank a total of Cdn. $60 million for projects to be administered by the Bank upon approval by Canada. This amount has now been fully committed. Canada has recently agreed to make available an additional Cdn. $14 million for projects suitable for Canadian financing which brings the total allocation to Cdn. $74 million. Normally loans are for 50 years including a 10-year grace period at zero per cent interest. The Bank charges a 0.5 per cent commission charge on the loans.

PRIME MINISTER'S OFFICE—OPERATION OF REGIONAL DESKS

Question No. 2,057—**Mr. Orlikow:**

1. Have regional desks been established for the Prime Minister's Office?

2. How many such offices have been established, or are planned?

3. Who are the persons in charge of each regional desk and what additional staff has been assigned to the regional desks?

4. What are the qualifications of the persons in charge of each regional desk?

5. What is the annual estimated cost of operating the regional desks?

6. What are the functions of the regional desks?

Mr. Barnett J. Danson (Parliamentary Secretary to the Prime Minister): 1. Yes.

2. Four desks have been established and no others are planned

3. Atlantic, Jean Haché; Quebec, Gilles Dufault; Ontario, Colin Kenny; Western Canada, David Thomson. In addition, two stenographers are assigned to the regional desks.

4. Selection is made on the basis of the overall suitability of the individuals experience and personal qualifications in relation to the requirements of the position.

5. $94,500.

6. The functions of the regional desks are to improve the liaison between the Prime Minister and those voluntary organizations which concern themselves with issues and problems common to many Canadians; to act as an additional source of information and advice to the Prime Minister on matters upon which he has requested such information and advice; to be of assistance to members of Parliament in their dealings with the Prime Minister and his office.

[Mr. Robinson.]

CANADIAN CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Question No. 2,098—**Mr. Robinson:**

What was Canada's contribution this year to the following international organizations (a) IBRD (b) IMF (c) IDA (d) IFC (e) FAO (f) UNCTAD (g) UNIDO (h) UNDP (i) UNESCO (j) ECA (k) ECLA (l) ECAFE (m) WHO (n) ILO (o) GATT (p) OECD?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Canada's contributions for fiscal year 1970/1971 were (a) IBRD, 0; (b) IMF, 0; (c) IDA, $27,027,000 being the last installment of the Second Replenishment; (d) IFC, 0; (e) FAO, $1,226,000; (f) UNCTAD, The secretariat costs of these organizations are paid from the U.N. regular budget; (g) UNIDO, The secretariat costs of these organizations are paid from the U.N. regular budget; (h) UNDP, $15,267,000; (i) UNESCO, $1,174,411; (j) ECA, Canada is not a member; (k) ECLA, the Commission receives its funds through the regular budget of the U.N.; (l) ECAFE, Canada is not a member; (m) WHO, $2,813,262; (n) ILO, $1,071,855; (o) GATT, $231,724; (p) OECD,

AGRICULTURE—AVERAGE PRICE FOR CLASS A PORK

Question No. 2,101—**Mr. Lambert (Bellechasse):**

1. What was the average price paid to Canadian producers for Class A pork during the first ten months of 1971?

2. What will be the average support price to be established by the Stabilization Board for such meat for the past twelve months?

Hon. H. A. Olson (Minister of Agriculture): 1. The cumulative weighted national average price to hog producers to October 30, 1971 was $23.21 per hundredweight.

2. The mandatory support level for the 1971 hog (calendar) year under the Agriculture Stabilization Act is $24.14 per hundred-weight, basis index 100 hogs.

INTRODUCTION OF LEGISLATION RESPECTING ROYAL AND NATIONAL ANTHEMS

Question No. 2,124—**Mr. Forrestall:**

Does the government intend, during this or the next Session of Parliament, to introduce legislation with respect to either, or both, of our Royal and National Anthems?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes.

[*English*]

NATIONAL DEFENCE—WELFARE AND PAY ALLOWANCES

Question No. 2,126—**Mr. Forrestall:**

Will there be any increase in costs to CAF personnel before the end of 1972 with respect to meals, SDB insurance rates, mess dues, clothing allowances or costs and, if so, by what amounts?

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): Meals—The charges for prepared rations in the Canadian Forces are adjusted periodically

contingent on current food costs. The next adjustment will be effective December 1971.

SDB Insurance Rates—There will be no increase before the end of 1972 with respect to SDB insurance rates which have been in effect since the plan was restructured in 1966.

Mess Dues—The amount paid by each member for mess dues is set by a vote of the members of each mess at a general mess meeting, subject to the approval of the commanding officers. It will differ between messes according to their particular needs.

Clothing Allowances or Costs—Clothing prices are normally reviewed annually and adjustments are made as required to reflect the latest procurement costs. A study is presently under way to determine whether there should be any adjustments to the prices charged for clothing and to determine whether the rate of Clothing Upkeep Allowance should be changed. As the results of this study will not be available until the spring of 1972, it is not possible to forecast what the net result of any changes in clothing prices or allowances will be.

sport office

Question No. 2,136—**Mr. McCleave:**

Was the Passport Office moved from 85 Sparks Street to 48 Besserer Street and, if so, for what reason?

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Secretary of State for External Affairs): Yes. The Passport Office recently moved to 48 Besserer Street to provide it with more useable floor space better suited to carry out its passport production activities and to release space in the Blackburn Building requested by the Department of Public Works.

[*English*]

DEPARTMENT OF JUSTICE—NUMBER OF JUDGES

Question No. 2,146—**Mr. Lambert (Bellechasse):**

How many judges hold office (a) in Canada (b) in each province, by virtue of a federal government appointment?

Hon. John N. Turner (Minister of Justice): (a) 457. (b) Supreme Court of Canada, 9; Federal Court of Canada, 12; Ontario, 140; Quebec, 107; Nova Scotia, 17; New Brunswick, 17; Manitoba, 23; British Columbia, 47; Prince Edward Island, 7; Saskatchewan, 31; Alberta, 36; Newfoundland, 9; Northwest Territories, 1; Yukon Territory, 1.

AVERAGE SALARY OF JUDGES

Question No. 2,154—**Mr. Lambert (Bellechasse):**

What was the average salary in (a) October 1971 (b) October 1965 of judges appointed by the federal government?

Hon. John N. Turner (Minister of Justice): (a) $30,582; (b) $19,351.

POST OFFICE—CHRISTMAS MAILING DEADLINES

Question No. 2,158—**Mr. Nesbitt:**

With reference to a recent coloured pamphlet issued by the Post Office Department concerning Christmas mailing deadlines and also announcing Season's Greetings to all and and sundry (a) how many of these pamphlets were purchased (b) were tenders called for the printing of these pamphlets and, if so (i) how many tenders were submitted (ii) what was the name of the firm that was awarded the contract (c) what was the total cost of the pamphlets?

Hon. Jean-Pierre Côté (Postmaster General): (a) 2,000,000. (b) Yes. (i) 15; (ii) Montreal Lithographing Ltd. (c) $54,100.

* * *

QUESTION PASSED AS ORDER FOR RETURN

METEOROLOGICAL SERVICE CENTRES

Question No. 1,931—**Mr. Robinson:**

1. How many meteorological service centres are there in Canada and where is each one located?

2. Does the government intend to expand the meteorological service and, if so, in what way?

3. To what extent is meteorological information obtained by satellites?

4. To what extent does Canada integrate its meteorological service with other countries?

Return tabled.

Mr. McGrath: Mr. Speaker, I would like to ask the parliamentary secretary when I can expect answers to my questions Nos. 1278 and 1279 which have been on the order paper since April 6 and deal with the Department of Regional Economic Expansion?

Mr. Jerome: Just as soon as possible, Mr. Speaker.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

FORTHCOMING MEETING BETWEEN PRIME MINISTER AND U.S. PRESIDENT—SUBJECTS FOR DISCUSSION—PRIOR DISCLOSURE OF FOREIGN INVESTMENT POLICY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister who I was interested and pleased to see has requested a meeting with the President of the United States. In view of the fact the Prime Minister has rejected suggestions over the past three months that it would be a good idea for him to meet with the President of the United States, can he tell the House what specific factors now make it desirable for him to have a meeting with the president?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have never rejected the idea of a meeting with the President. On the contrary, I said he was to visit Canada in the spring some time. The question was one of timing. The timing is more appropriate now and that is why the meeting will happen now.

Mr. Stanfield: As I understand it, the meeting is taking place at the request of the Prime Minister. Can the right

hon. gentleman say what specific matters he wishes to discuss with the President—what specific matters form the basis of his request for a meeting with the President at this time?

Mr. Trudeau: It seems to me rather apparent from the news media that the President is meeting with a number of leaders at this time, friends of his, allies of the United States, and it does seem appropriate that at this point Canada should be meeting with the President of the United States to discuss multilateral and bilateral questions.

Mr. Stanfield: I had hoped the Prime Minister was doing more than just getting into line with the other distinguished visitors.

Some hon. Members: Oh, oh!

Mr. Stanfield: I am sorry if I have said anything offensive to hon. members opposite.

An hon. Member: Thanks for the apology.

Mr. Stanfield: Since the meeting has apparently been scheduled for late in December, can the Prime Minister tell the House today whether he intends to disclose to the House the policy of his government with regard to foreign investment before meeting with the President, or will the meeting with the President take place before the government's plan with regard to foreign investment is disclosed?

Mr. Trudeau: I am afraid I cannot answer that question. My understanding is that the date of my meeting with the President has not been finalized. It is therefore not possible for me to answer the question until I know when the meeting will take place.

Mr. David Lewis (York South): My supplementary arises from one of the answers the Prime Minister gave. May I ask whether it was he who asked for the meeting with the President of the United States or whether an invitation was extended to him by the President in the first place?

Mr. Trudeau: The approach was made by my office to the President of the United States in the first place.

Mr. Lewis: Would the Prime Minister be good enough to inform us how long ago this approach was made by his office and also whether in making this approach any specific matters were mentioned as a proposed agenda for the discussions.

Mr. Trudeau: The approach was made some time last week. At that time the decision had been made for the Secretary of State for External Affairs to meet with Mr. Rogers in Washington and it was hoped that my meeting would follow that one as soon as possible so that I might be able to follow up some matters which the Secretary of State for External Affairs had discussed with Mr. Rogers. As to subjects on the agenda, there has not yet been an agreement as to the agenda. With regard to the particular question asked by the hon. member, I know of no specific subject which was mentioned; it was just that it would be good for us to get together to discuss multilateral and bilateral questions.

[Mr. Stanfield.]

Mr. Lewis: May I ask the Prime Minister specifically, if he thinks he can inform the House, whether he intends to discuss the following questions with the President, namely, the 10 per cent surtax, other proposals like DISC and the job incentive program, and in particular the policy at which the government may have arrived at with respect to the control or supervision or surveillance of foreign investment in Canada?

Mr. Trudeau: I cannot answer specifically with respect to any of those subjects until the agenda has been established. They are certainly the type of question we would be interested in discussing together, but, as I say, the agenda has not been established and I do not know whether it will include those specific subjects.

• (2:20 p.m.)

Mr. S. Perry Ryan (Spadina): I have a supplementary question, Mr. Speaker, for the Prime Minister. Is the Prime Minister going to reassert to President Nixon personally the position that Canada should be exempted from the surcharge because the government floated the dollar last year?

Mr. Trudeau: Mr. Speaker, these representations of mine will be made to the President. If it is in the public interest that I say exactly what went on at our meetings, then I shall do so. I do not yet have the agenda so I cannot assure the hon. member that I will be making any specific recommendations.

Mr. Ryan: Is the Prime Minister going to ask the President whether or not the United States government has a list of conditions for the removal of the surcharge on Canadian imports?

Mr. Trudeau: Mr. Speaker, I will take note of the hon. member's suggestion and the suggestions of other hon. members and decide what questions I want to ask the President.

FORTHCOMING MEETING BETWEEN PRIME MINISTER AND U.S. PRESIDENT—REQUEST FOR ANNOUNCEMENT OF AGENDA WHEN AGREED UPON

Mr. David Lewis (York South): I have a further supplementary, Mr. Speaker, for the Prime Minister. Would he give an undertaking to the House that when the agenda has been agreed upon—at that time I suppose the date will also have been agreed upon—he will inform the House on motions of the subjects that have been put on the agenda for discussion with the President?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if I have the agreement of the President to that course I shall consider doing so. I am not certain whether we would want to make the agenda public before the meeting takes place. It is possible that we would not cover all the subjects or that we might cover others that are not on the agenda.

CANADA-U.S. AUTO PACT—POSSIBLE EARLY SETTLEMENT OF NEGOTIATIONS—DISCUSSION BY PRIME MINISTER WITH PRESIDENT AT FORTHCOMING MEETING

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I direct my question to the right hon. Prime Minister. Does he

anticipate an announcement of a settlement of the major negotiations between Canada and the United States on the automobile pact in the near future, as intimated by the Secretary of State for External Affairs, or does he anticipate that this may be one of the matters he will discuss with the President at the forthcoming meeting?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it depends on the state of the negotiations on that particular subject which have been going on, as the hon. member knows, for a long while. It also depends on when my own meeting with the President takes place.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Egmont on a supplementary and then a last supplementary from the hon. member for Nanaimo-Cowichan-The Islands.

[*Translation*]

I will then recognize the hon. member for Portneuf.

* * *

[*English*]

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—REQUEST FOR PUBLICATION OF OFFICIAL REPORT TO CABINET AND OTHER STUDIES

Mr. David MacDonald (Egmont): I have a question, Mr. Speaker, arising out of an earlier question raised by the Leader of the Opposition concerning the government's proposals in regard to foreign investment. In light of the Prime Minister's answer last week in the House, to the question whether or not the full Gray report plus other studies would be tabled in the House that an announcement might be made within a week or ten days and in view of the fact he then said outside the House that perhaps he would wait until after the annual meeting of the Conservative party before releasing these materials, inasmuch as this suggestion seems to indicate that these materials are available, and since the Prime Minister might want to distinguish between the recommendations contained in the Gray report and other supporting materials and the government's own decision, would the government give consideration to making them available early enough both for consideration by the people of the country and also—

Mr. Speaker: Order, please. I am wondering whether the hon. member has now completed his question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am surprised that the hon. member admits that the Conservative party has not made up its mind on this subject yet but could do so within the next ten days. I am looking forward to seeing what their position is. It would be a surprise to us if the Conservative convention took a clearcut position on this or on anything else.

Mr. Stanfield: A supplementary question, Mr. Speaker.

Mr. Speaker: Order. I indicated a moment ago that I would recognize the hon. member for Nanaimo-Cowichan-The Islands on a final supplementary. The hon. member for Portneuf should then be recognized and the Chair will return to this matter and recognize the Leader of the Opposition and the hon. member for Egmont.

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EXTERNAL AFFAIRS

FORTHCOMING MEETING BETWEEN PRIME MINISTER AND U.S. PRESIDENT—NEGOTIATION OF REMOVAL OF AMERICAN IMPORT SURTAX

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Prime Minister. In view of the fact the government has repeatedly said that it has no intention of negotiating exemption of Canada from the 10 per cent surcharge imposed by the United States, may I ask the Prime Minister whether the government has now abandoned that position and the reason of his meeting with President Nixon is to negotiate Canada out from under the 10 per cent surcharge?

Hon. P. E. Trudeau (Prime Minister): The answer to both questions is no, Mr. Speaker.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—MEASURES TO IMPROVE SERVICE

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct my question to the Minister of Labour.

Can the minister indicate why those who apply for unemployment insurance benefits and who qualify have to wait five or six weeks to receive their first cheque?

Does the minister appreciate that a whole month without salary is too long and very hard to bear—

Mr. Speaker: Order, please. The hon. member is now making a speech. In my opinion, the first question is in order. The minister might wish to answer that part of the hon. member's remarks.

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, if the hon. gentleman has any specific cases in mind I will personally intervene to speed up the procedure.

[*Translation*]

Mr. Godin: I have a supplementary, Mr. Speaker.

Can the minister say whether the Commission is considering the possibility of improving its procrastinating way of doing things?

[*English*]

Mr. Mackasey: Mr. Speaker, we are always looking for ways and means to improve the efficiency of the department.

Mr. Speaker: Order, please. I believe there are a few supplementaries to the first question. The Chair will now recognize the hon. member for Egmont.

Inquiries of the Ministry

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—REQUEST FOR PUBLICATION OF OFFICIAL REPORT TO CABINET AND OTHER STUDIES

Mr. David MacDonald (Egmont): Mr. Speaker, I think the Prime Minister is still suffering from some confusion. Would he indicate whether he is willing to make available the reports and the various supporting studies that have been made in connection with the Gray inquiry prior to the enunciation of the government's position in order that there might be some public participation in the consideration of these various documents before a final decision is arrived at by the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, when I replied to that type of question the other day I said it was mainly a matter of preparing material, having it printed, translated and so on. That was the reason I could not give a specific date. Let me repeat that I will urge the minister to do so as soon as possible in order that the Conservative party may clarify its thinking on this matter.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. Prime Minister whether, in view of the interest he has expressed about the views of the Conservative party, he will accept its advice a little more quickly than he did in respect of unemployment?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands on a supplementary question.

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EXTERNAL AFFAIRS

FORTHCOMING MEETING OF PRIME MINISTER AND U.S. PRESIDENT—SUBJECTS FOR DISCUSSION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in view of the fact that the press has quoted a spokesman from the Prime Minister's office as saying that the Prime Minister and the President had agreed on the desirability of holding a meeting for the purpose of discussing the surcharge, related economic matters and international relations, I should like to ask the Prime Minister whether he is telling the House that a spokesman from his office was not authorized to make such a statement and whether, indeed, these are the three main subjects for discussion by the Prime Minister with the President?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know the agenda has not been agreed upon by the President and myself. I am not aware of what my office may have said in respect of possible subjects for discussion. As I answered the leader of the New Democratic Party, this is the type of thing we are likely to discuss but there is no agenda set yet.

[Mr. Speaker.]

INDIAN AFFAIRS

IMPLICATIONS OF TELEGRAM FROM PRIME MINISTER'S SECRETARY TO PRESIDENT OF INDIAN ASSOCIATION OF ALBERTA

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. In light of the statement by the Minister of Indian Affairs and northern Development to the effect that he was not aware of the telegram sent by the Prime Minister's principal secretary to the President of the Indian Association of Alberta, will he advise the House whether he is aware of the contents of this telegram and, if so, does it reflect his position on this matter?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I know of the existence of the telegram, but I would have to refresh my memory as to its content in order to answer the hon. member's second question.

Mr. Mazankowski: Are we then to assume that the powers of the Minister of Indian Affairs and Northern Development have been usurped by the Prime Minister's office?

Mr. Trudeau: No, Mr. Speaker, but—

Mr. Speaker: Order, please. The question is entirely out of order.

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REGIONAL ECONOMIC EXPANSION

GRANT TO UNION CARBIDE, BEAUHARNOIS—LOSS OF JOBS AT WELLAND

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Has his department made a grant to Union Carbide of Canada to build a manganese alloy furnace at Beauharnois, Quebec?

Mr. Speaker: Order, please. My impression is that questions of this type ought normally to be put on the order paper. I know that in past days or weeks hon. members have asked questions about individual applications and individual loans made by the minister's department. A question of a similar type was asked last week. I wonder whether hon. members might not think that such questions should be placed on the order paper. If every member were to ask about individual loans or applications concerning his constitutency we might find ourselves spending much of the question period on such questions dealing with individual applications. I really think questions should be more general. The hon. member might like to rephrase his question.

• (2:30 p.m.)

Mr. Broadbent: Mr. Speaker, I shall try to do that. If the answer to this unacceptable question is in the affirmative, can the minister indicate to the House whether he is aware that such a grant will result in the loss of some 350 jobs in Welland for the creation of a mere 70 jobs in Beauharnois and, if so, does he think—

Mr. Speaker: Order, please. I would think that the supplementary is hypothetical.

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EXTERNAL AFFAIRS

REPORTED NUCLEAR EXPLOSION IN SOVIET UNION—CANADIAN PROTEST

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Is it the intention of the government to make a formal protest to the Soviet Union in view of the very large nuclear explosion reported to have taken place in the Soviet Union this morning?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I will certainly consider whether there would be anything useful to be served. We have made it very plain to all those who have recently exploded nuclear devices that this is contrary to Canadian policy and that we hope they will cease all nuclear testing, but of course if we had to make a protest against every such explosion, including those made by all the great powers, I would be spending a great deal of my time on that.

Mr. Nesbitt: Mr. Speaker, can the Secretary of State for External Affairs tell us if it is government policy to send specific protests only to the United States of America when these things take place and otherwise just make generalized remarks and utter platitudes at the United Nations?

Mr. Speaker: Order, please. The question as asked is not in order. The minister might wish to reply quickly and generally, but I would have to find that the hon. member's question is slightly irregular in its terms.

Mr. Sharp: No. As the hon. member knows, Mr. Speaker, we have recently made a protest to China on its most recent explosion.

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COMPETITION BILL

SUGGESTED WITHDRAWAL FOR REDRAFTING

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Will the minister complete the answer to my question which was cut off in mid-sentence by Your Honour calling orders of the day last week and which Your Honour said, as recorded at page 9763 of *Hansard*, might be pursued today. The question again is, will the minister withdraw the controversial competition bill before the end of this session and have it redrafted in an acceptable form?

Hon. Ron. Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have made clear since last June 29, when the bill was read the first time, that it would not be proceeded with by the government at this session but that after receiving useful and constructive comments from people it would be reintroduced next session.

AGRICULTURE

FARM ADJUSTMENT PROGRAM—ADDITIONAL FUNDS AVAILABLE TO FARM CREDIT CORPORATION TO OVERSEE OPERATION

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the statement that he is proposing to proceed with the farm adjustment program and in view of reports that the Farm Credit Corporation will oversee the program in part in co-operation with the provinces, can he inform the House concerning the amount of additional funds the federal government intends to make available to the Farm Credit Corporation for this purpose?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am sure the hon. member knows that the House approved an item of $16 million in the main estimates this year to deal with the small farm development program.

Mr. Gleave: Mr. Speaker, do I take it then that the Minister of Agriculture wishes to leave the impression that $16 million will finance the type of program he has in mind?

Mr. Olson: No, Mr. Speaker, but there will be further estimates in subsequent years and, based on the experience we gain during the next few months, we will come before the House with an appropriate amount.

LEGISLATION RESPECTING DEVELOPMENT OF NATIONAL FARM PROGRAM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I have a supplementary for the Minister of Agriculture. In view of the fact that the technical committee which is designed to develop a national farm program is due to meet in Ottawa tomorrow, can the minister indicate whether it will be the intention of the government to introduce legislation for the development of a national farm program or will this take place within the framework of existing legislation?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the purpose of the technical committee meeting tomorrow will be to reconcile the differences between the provincial governments' proposal and the proposal I laid before members of the House and the committee about eight months ago. I might add that there is very little difference. That is the purpose, not for a wide-ranging agricultural program.

[*Translation*]

QUEBEC—REPRESENTATIONS TO FEDERAL GOVERNMENT—COMPENSATION FOR HOG AND EGG PRODUCERS' LOSSES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Since Quebec pork and egg producers have incurred losses of approximately $16 million over the last 12 months, partly compensated by the Quebec government, could the minister tell the House whether he has received any official representations from the Quebec Minister of

Agriculture asking the federal government to compensate part of these losses?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have already announced a specific program under the Agricultural Stabilization Board with regard to eggs and it has had a very beneficial effect in the market place even at this ealry date. I have also announced that as soon as the figures are available for the 1971 year we will probably be making deficiency payment on hogs, but we need to have the figures first.

[*Translation*]

Mr. Lambert (Bellechasse): I should like to put a supplementary question, Mr. Speaker.

I realize perfectly that a policy has been established. My question does not concern the future program, but the year which is ending. Since this policy is inadequate, as has been demonstrated, would the Minister of Agriculture be prepared to consider this situation seriously in order to avoid the numerous failures which will necessarily happen in this field?

[*English*]

Mr. Olson: Mr. Speaker, I do not understand the purport of this kind of question and representation because certainly if there is a deficiency payment after the figures are in for hogs it will be paid for hogs produced all through 1971 right back to January of this year.

• (2:40 p.m.)

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker—

Mr. Speaker: The hon. member could perhaps meet the minister after the question period and they might reach an agreement on a question which could be put tomorrow.

* * *

[*English*]

INFORMATION

SUGGESTED LEGISLATION TO ASSURE FREEDOM OF ACCESS TO INFORMATION ON PUBLIC BUSINESS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Minister of Justice a question. In light of the many leaks which have been plaguing the government, would he now consider introducing or will he introduce during the next session a freedom of information bill which would do a great deal to get rid of this problem? I would be prepared to offer him my bill which now stands on the order paper.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I want to thank the hon. member for the co-operation he gave me in introducing and passing the Statutory Instruments Act which goes a long step toward making regulations public and reviewable by Parliament. The other step he mentions is one which I will take under consideration.

EXTERNAL AFFAIRS

INDIA-PAKISTAN CONFLICT—GOVERNMENT POSITION RESPECTING POSSIBLE DISCUSSION BY UNITED NATIONS—ADVICE TO CANADIAN NATIONALS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs on the grave situation involving India and Pakistan. Has the government departed from its view that it is still not efficacious to have the matter brought before the United Nations and can he advise what advice is being given to Canadian nationals in the area?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on the first question, we have been discussing this with a number of countries including members of the Security Council and so far none of them feels it would be helpful in bringing about a settlement to have the matter brought before the Security Council at this time. That position may change with time but that seems to be the position now. On the second question, we have given warning to our nationals in both east and west Pakistan to get out of the areas where there are hostilities and also to be prepared to move out of that country if the situation worsens.

* * *

• (2:40 p.m.)

THE MINISTRY

INQUIRY AS TO APPOINTMENT OF NEW MINISTER OF ENERGY MINES AND RESOURCES

Mr. Eldon M. Woolliams (Calgary North): I should like to put my question to the Prime Minister. In light of the unfortunate illness of the Minister of Energy, Mines and Resources who has been unable to attend the House for some time, is it the Prime Minister's intention to appoint a minister to take over that portfolio because of the serious effect of the minister's absence on matters that affect Canada, particularly the relationship between Canada and the United States, and would that appointment be made before the discussions take place on whatever matters the Prime Minister is going to discuss with the President of the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member knows that there are two acting ministers and in certain cases we have even named a third acting minister to meet this unfortunate situation.

Let me say once again that I do not know for certain the date of the meeting and therefore I cannot give the hon. member that assurance. I do not know sufficient at this time about the health and future condition of the Minister of Energy, Mines and Resources to answer the other part of the hon. member's question, but certainly this matter is very much on my mind and I will act as soon as necessary.

ENERGY

NATURAL GAS—REQUEST FOR STATEMENT ON STEPS TO ENSURE EXPLORATION PROGRAMS TO GUARANTEE CANADA'S FUTURE NEEDS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): In view of the findings of the National Energy Board regarding the inadequacy of gas supplies to meet Canada's future needs, would the Prime Minister undertake to have whoever is Acting Minister of Energy, Mines and Resources make a statement to the House at an early date as to what steps the government is taking to ensure adequate exploration programs to guarantee adequate supplies of gas for Canada's future needs?

Right Hon. P. E. Trudeau (Prime Minister): I will transmit the representation of the hon. member to the Acting Minister of Energy, Mines and Resources.

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CONSUMER AFFAIRS

ACTION TO CONTROL TELEVISION ADVERTISING AIMED AT CHILDREN

Mr. James A. McGrath (St. John's East): I should like to direct a question to the Minister of Consumer and Corporate Affairs. In view of the widespread interest in this matter and in view of the interest and approval of all parties in the House during the debate on Friday that action should be taken, does the minister intend to take the necessary action to control in this country advertising on television aimed at children which is especially apparent at this time of the year?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I read the debate with interest and I am sorry I was not able to participate in it last Friday. I think I made the position quite clear some time ago when I said that I welcomed the adoption by broadcasters of a voluntary code, that we would see how it worked, that we urged people to live up not only to the letter but to the spirit of the code, that we were intending to enforce as vigorously as we have over the last three years our campaign against misleading and deceptive advertising, and that after we had seen the two programs in operation for some time it would then be the appropriate time to judge the degree of their effectiveness.

Mr. McGrath: Does the minister intend to recommend to his colleague, the Secretary of State, that immediate action be taken by the CBC in view of the fact that their voluntary code does not take effect until next year?

Mr. Basford: My understanding is that the code was to be put into effect as soon as possible, but I will take up the matter with the Secretary of State so far as the CBC is concerned.

ADVERTISING PRACTICES OF SNOWMOBILE MANUFACTURERS

Mr. W. C. Scott (Victoria-Haliburton): I have a supplementary question, Mr. Speaker. Does the minister plan to investigate advertising practices by snowmobile manufacturers that mislead the public and very likely contribute to the dangerous use of all-terrain vehicles?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The law relates only to misleading, deceptive or untrue advertising. If the hon. member thinks that certain types of advertising are in fact untrue or deceptive, I wish he would speak to me and bring them to my attention. If they are unlawful in the view of the law officers of the Crown, action will be taken.

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AGRICULTURE

SUGGESTED INDUSTRIAL MILK QUOTA TO MAINTAIN BUTTER AND CHEESE INDUSTRIES

Mr. Arnold Peters (Timiskaming): I should like to direct my question to the Minister of Agriculture. In view of the fact that a shortage of milk for butter and cheese has developed, will the minister give consideration to opening a quota for industrial milk so as to help to maintain our cheese and butter industries in Canada?

Hon. H. A. Olson (Minister of Agriculture): As I have said, we may be short about eight or ten days supply of butter out of the whole year, but already some adjustments have been made in the market-sharing quota for industrial milk in Ontario and Quebec. Under the new arrangement this now comes under the provincial marketing agencies, and I think they are prepared to increase the quota so that there will be greater supplies for the increasing market.

Mr. Peters: In light of the fact that Ontario and Quebec have a market-sharing quota arrangement under the auspices of the federal government, will the minister, through the Canadian Dairy Commission, ask that this be reviewed immediately so that we will not lose any more of our butter factories and cheese factories in Ontario?

Mr. Olson: The responsibility for that and the assignment of milk to these various factories lies within provincial jurisdiction, not that of the Canadian Dairy Commission.

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EXTERNAL AFFAIRS

NEVADA UNDERGROUND NUCLEAR TEST—CANADIAN PROTEST

Mr. Chas. L. Caccia (Davenport): My question is directed to the Secretary of State for External Affairs. Does the government intend to protest against the United States underground nuclear test which was conducted in Nevada last week?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As I said in reply to the hon. member for Oxford, I do not think it would be useful to make protests on all nuclear tests, and in this particular case the venting that took place does not seem to have reached Canada.

Inquiries of the Ministry

POLICY RESPECTING OPENING OF NEW EMBASSIES

Mr. Jack McIntosh (Swift Current-Maple Creek): My question is directed to the Secretary of State for External Affairs. Does the recent opening of a Canadian embassy in Algeria represent a change in policy by the government, which was formerly directed toward reducing Canadian representation in foreign countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): There has been no further reduction in representation in foreign countries, and a gradual increase in the number of new missions which have been opened since that time. I think we are in a much stronger position to proceed with openings after having closed some of marginal importance.

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GRAIN

REQUEST FOR PUBLICATION OF PLAN FOR RATIONALIZATION OF HANDLING AND TRANSPORTATION

Mr. John L. Skoberg (Moose Jaw): My question is for the Minister of Agriculture. In view of the fact the railway companies have had access for some time to the proposed plans for the rationalization of grain handling and transportation, which I understand is now in cabinet, can the minister say when the proposed plan will be made available to the prairie governments, Members of Parliament, and all farm organizations in order that they will also have the privilege of seeing what the plan is all about?

Hon. H. A. Olson (Minister of Agriculture): I will take notice of the question, Mr. Speaker.

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AGRICULTURE

GOVERNMENT ASSISTANCE FOR CORN STORAGE FACILITIES

Mr. R. E. McKinley (Huron): I have a question for the Minister of Agriculture. In view of the low prices corn producers have been receiving this year, which the minister said are partly due to lack of storage facilities, is the government giving consideration to the representations which I understand have been made to it for assistance in regard to corn storage facilities, and how soon will a program be announced?

Hon. H. A. Olson (Minister of Agriculture): I am not sure how soon we can announce the program, but the hon. member has accurately described the situation in that we are giving urgent consideration to some proposals that would increase the amount of storage before the next crop comes in. I can also advise the hon. member that corn has moved up about 14 cents a bushel in the last few days.

Mr. McKinley: Can the minister say whether the assistance for corn storage will be for commercial corn storage or on the farm?

[Mr. Sharp.]

Mr. Olson: Certainly it would be to increase on-farm storage, but we are hopeful we can find a satisfactory way of increasing commercial storage as well.

Mr. William Knowles (Norfolk-Haldimand): One of the programs suggested was accelerated depreciation for on-farm storage. Would the minister give consideration to the same plan for commercial storage designated specifically for use by farmers?

Mr. Olson: That is one of the proposals under consideration.

[*Later:*]

CORN—REQUEST FOR STATEMENT ON MEASURES TO RELIEVE PRODUCERS' DIFFICULTIES

Mr. H. W. Danforth (Kent-Essex): I have a supplementary question for the Minister of Agriculture. In light of the very great difficulties experienced by Canadian corn producers during this year's harvest season and in light of various reports that have been made to the government in this regard, can the minister indicate when he will be able to make a statement in the House with regard to government policy and a solution to this very grievous problem?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, I cannot, but I can advise that only last week I had a further representation from the Ontario Grain and Feed Dealers Association—the people who operate some of the commercial elevators in Ontario. There were some new and interesting proposals that we have only had for a few days.

* * *

GRAIN

SUGGESTED MEETING OF INTERNATIONAL GRAINS ARRANGEMENT SIGNATORIES TO ACHIEVE ORDERLY INTERNATIONAL PRICING OF WHEAT

Mr. A. P. Gleave (Saskatoon-Biggar): In view of the statement made by the minister in charge of the Wheat Board during his trip to Australia that Australia and Canada have agreed that the international pricing of wheat should be done on an orderly basis within a fixed price range, is it the intention of the minister or the government to ask the International Wheat Council to press for a meeting of the signatories of the International Grains Arrangement to achieve this objective?

Hon. H. A. Olson (Minister of Agriculture): I am sure the hon. member is aware of the fact that within the last few days a meeting of the council was held in London. He has no doubt read the press reports relating to that matter. On a ongoing basis Canada has always indicated interest in international commodity agreements of this nature but of course they are only useful as long as they are adhered to.

• (2:50 p.m.)

EXTERNAL AFFAIRS

FORTHCOMING MEETING OF PRIME MINISTER AND U.S. PRESIDENT—EFFECT ON PROPOSED VISIT BY PRESIDENT NIXON TO CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, earlier the Prime Minister indicated that one of the principal factors in his request for a meeting with President Nixon at this time was the more desirable timing. I should like to ask the Prime Minister whether this is related to the proposed visit of President Nixon in the spring. Does this mean that President Nixon's visit to Canada will be cancelled or will it take place, and is the Prime Minister's meeting in addition to that?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I may have misunderstood the question but I shall attempt to answer what I heard. This is in addition to the meeting which will take place in the spring. There is no change of that plan.

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MANPOWER

LOCAL INITIATIVES PROGRAM—ACTION TO ENABLE GREATER USE BY SMALL URBAN COMMUNITIES AND RURAL MUNICIPALITIES IN SASKATCHEWAN

Mr. John Burton (Regina East): I should like to direct a question to the Minister of Manpower and Immigration but in his absence I shall direct it to his parliamentary secretary or whoever is answering for the minister. Has the minister received a telegram from the President of the Saskatchewan Association of Rural Municipalities protesting that the local initiatives program will be of little value to small urban communities and rural municipalities in Saskatchewan? If so, is the government taking any action to make it possible for such local governments to make greater use of this program than is now possible?

[*Translation*]

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, I must admit that I am not aware of such a telegram but I should be greatly surprised if it contained an allegation to the effect that the local initiatives program cannot assist smaller municipalities, groups or associations.

The program covers initiatives and if smaller municipalities, groups or associations in these smaller municipalities have enough initiative, I am sure they will be able to avail themselves most successfully of the program now established by the government.

[*English*]

Mr. Burton: Is the government considering any means whereby it might vary the proposed 30 man-month minimum limit so that it will be possible for some municipalities to take greater advantage of the program?

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I believe that the hon. member's suggestion deserves consideration. Furthermore, if it became absolutely impossible for some municipalities, associations or groups to take advantage—

[*English*]

Mr. Speaker: Order, please. The parliamentary secretary's reply is hypothetical. The hon. member for Winnipeg South Centre.

LOCAL INITIATIVES PROGRAM—AVAILABILITY OF INFORMATION TO SMALL MUNICIPALITIES

Mr. E. B. Osler (Winnipeg South Centre): I should like to ask the parliamentary secretary a supplementary question on the same line. What steps is the government taking to ensure that small municipalities that do not necessarily have a direct pipeline to the government get correct information upon which they can go ahead and make their plans concerning local initiatives?

Mr. Marcel Prud'homme (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, as far as I am concerned they do not need a direct pipeline to the government because I think all our 350 or 390 manpower offices in Canada are well aware of that information and any little municipality or association or «groupement» may avail itself or it by calling on any of these 350 or more manpower centres which have all the information necessary and are ready to help.

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VETERANS AFFAIRS

RECEIPT OF DECEMBER CHEQUES BY WAR VETERANS ALLOWANCE RECIPIENTS AND PENSIONERS BEFORE CHRISTMAS

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I have a question for the Minister of Veterans Affairs. Is the minister taking the necessary steps to see that the December cheques payable to war veterans allowance recipients, pensioned veterans and their dependants will be mailed in time to reach them before Christmas?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, these cheques are not mailed by my department but by the Department of Supply and Services. I do not know exactly what day of the month the cheques are usually sent but I shall make it a point to see that our veterans get their cheques before Christmas.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Friday, November 26, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act—Mr. Benson—Mr. Honey in the chair.

The Chairman: Order, please. It is the understanding of the Chair that the committee will now proceed to sections 36 to 41 inclusive, 82 to 84 inclusive, 89, 112, 121 to 125 inclusive, 129, 143 and 181 to 197 inclusive dealing with corporations and shareholders.

On clause 1—Section 36: *Railway companies.*

Mr. Lambert (Edmonton West): First of all, Mr. Chairman, I was just wondering whether in that list read out you included all the appropriate sections that deal with corporations. For instance, I did not hear sections 123 and 124 mentioned, even though I may have heard 125. I have not got the list before me but sections 82 to 95 and 181 to 197 all deal with corporations. It seems to me any list would be incomplete, unless we were to deal with them all. I should like to be able to do that because there may be some disposition later this day in looking at some sections which—

The Chairman: Order, please. The Chair has some difficulty in hearing the hon. member for Edmonton West. Would hon. members please give their attention to the work of the committee?

Mr. Lambert (Edmonton West): Thank you, Mr. Chairman. I see my genial friend, the hon. member for Labelle is acting today—I am sorry, that used to be the name of his constituency—

[*Translation*]

Mr. Clermont: I rise on a point of order, Mr. Chairman. I have had the honour in the past of representing the Labelle riding. Now, it is my privilege to represent that of Gatineau.

Mr. Lambert (Edmonton West): Mr. Chairman, I apologize to the hon. member. I had no intention of giving offence to the people of the Gatineau riding, this was a mistake.

In future, I shall call the hon. member the Parliamentary Secretary to the President of the Treasury Board. In this way, I am sure we shall get along very well.

[*English*]

Mr. Chairman, at this point I would almost issue a challenge to the hon. parliamentary secretary to take this Committee through the complexities of the sections, and explain in what way Bill C-259 differs from the white paper provisions with regard to corporations. I think it is fair to say, as I was pointing out on Friday afternoon, that if any particular groups of sections require more time to be spent in studying them, in order that we may understand them, it is these particular groups. We have heard representations from professional bodies, from the Chamber of Commerce and from businesses, of all types. We heard representation from the tax foundation only a fortnight ago. The competence displayed at the annual meeting of the Canadian Tax Foundation two weeks ago at Vancouver vastly exceeds the professional and technical competence that is available to both the Department of Finance and the Department of National Revenue. It was the considered opinion of the Tax Foundation that more time should be made available for an examination of these particular sections in order that we may see whether they will accomplish what they were designed to accomplish, and also in order that departmental officials may be in a position to explain the complexities of these sections to business representatives who may ask for rulings or for some indication of the meaning of the blessed statute.

You know, Mr. Chairman, one must repeat this, and I will repeat it. There is no prerogative in the Crown in the presentation of a tax statute that is against the wishes of the public. Not only is it against the wishes of the public; it is also against the desires of the public as well as the understanding, particularly the understanding. If one seeks any reason as to why Bill C-259 or a substantial part thereof should be deferred, it is found precisely in this group of sections dealing with corporations and their shareholders. I will not pretend that I can explain to the House these provisions or that I can even track a tenuous way through their complexities. The hon. member for Outremont and my colleague on the finance committee, the hon. member for Laurier, will resist any challenge with regard to taking anyone through the complexities of these sections. They would be the first to resist any such challenge. If such hon. gentlemen who have great professional knowledge and competence with regard to tax matters confess their failure to being able to take anyone through these particular sections; if they cannot advise clients as to the meaning of the sections and what action should be taken in order to conform with them, and if they cannot at the same time advise clients as to the preferable course to be taken for the better conduct of their business, who on earth can interpret these sections with any degree of equanimity?

There is a further reason for my suggesting that the bill should be deferred, and it is this. The government was closely questioned today on something that has been the subject of public controversy for the past two weeks, the degree of foreign ownership of Canadian industries and the foreign ownership policies of the government. To all hon. members on the government side who are so prone to say: "Carried, carried"—

Mr. Gibson: Let us make some progress.

Mr. Lambert (Edmonton West): —may I suggest, and particularly to the hon. member for Hamilton-Wentworth, that the restrictions on small businesses contained in this bill constitute a complete prejudging of government policy on foreign ownership. I say that because the members of the Committee will be asked to adopt certain restrictions with regard to small business which may be at complete variance with the ultimate policy regarding the foreign ownership of Canadian business that will be announced by the government. Are we to take it that the restrictions contained in section 125, I believe, will not apply, or that they are government policy now? After all, section 125 defines a Canadian controlled private corporation and the small business provisions will apply only to Canadian controlled private corporations. The small business changes brought in by the government are a far cry from the recommendations of the House of Commons Standing Committee on Finance, Trade and Economic Affairs. To that extent, the parliamentary secretary must feel some chagrin, because he was chairman of the committee and presided over its deliberations when it came to these conclusions and many others having to do, particularly, with small, incorporated businesses.

I will ask the parliamentary secretary this: is he prepared to justify section 125, which is entitled, "small business deduction". Is he prepared to accept the ceiling of $400,000 cumulative of taxable income; is he prepared to accept the provision that even if the company is a public one, because its earnings are restricted, it will not be entitled to the small business deduction based upon the provision regarding the $50,000 annual total profits for the year? Is he prepared to accept the situation in which a company, owned in part by a foreign concern or individual, which has operated for a generation or more in this country, which employs Canadian labour entirely and which has been Canadianized as much as possible, will nevertheless be driven out, because the ordinary rule regarding corporate taxation will apply to it? Will the parliamentary secretary and members of the committee accept the situation in which a distributing firm handling equipment or tools or goods from overseas is to be thrown to the wolves? That is a very specialized business. The overseas parent company saw fit in the past to establish a Canadian branch. Notwithstanding the fact that the management of the company is Canadian, that its employees may have worked for 25, 30 or 35 years for the company in Canada, is that company to be tossed to the wolves.

I predict, Mr. Chairman, that in the industrial heartland of this country and in the oil sector of Alberta, that is, Calgary and Edmonton, many firms will close as a result of the restrictions in section 125. They will close because they will not be able to operate as a result of increased taxes. I want the parliamentary secretary to pay particular attention to my remarks. Some time today, I hope he will answer these questions and attempt to justify the thrust of these small business restrictions contained in section 125. I am very serious about that. They are the ones that demand an answer.

• (3:10 p.m.)

Do hon. members support the idea of disqualification because of foreign ownership—and incidentally a total disqualification—of small business? Do they support the principle that if a small business does become disqualified by reason of being sold or absorbed by a public corporation or foreign interests there shall be a retroactive assessment for recovery of taxes? There is a recapture of tax because of the changed status. I wonder if hon. members opposite are prepared to accept all of this.

Mr. Ryan: They did not know about it before.

Mr. Lambert (Edmonton West): My colleague, the hon. member for Spadina, says possibly they do not know about it.

Mr. Cullen: That is his second mistake.

Mr. Lambert (Edmonton West): I wonder whether the hon. member for Sarnia-Lambton is prepared to support this type of legislation in light of the across-the-border interests in his city. Some people in Sarnia conduct business in Michigan, and some people in Michigan have business interests in Sarnia.

Mr. Baldwin: That is his second mistake. His first is belonging to that party.

Mr. Lambert (Edmonton West): This is very interesting, Mr. Chairman. If I wanted to be difficult, I could pick on Mr. Speaker whose constituents have business in New York State and vice versa. The citizens of New York State own businesses on the Canadian side of the St. Lawrence. Will there be imposed on us some degree of reciprocity if we impose instalment one of the foreign ownership policy of the government? That is what this is, instalment one. I do not know whether instalment one will agree with the rest of the book. Considering the lack of planning that goes on across the way it may be at complete variance with it, yet the committee is being asked to approve section 125 and the principle of foreign ownership involved in that section. Frankly, it is a nonsensical position. Until the government sorts out its priorities with regard to foreign ownership, section 125 should not be passed.

One of the chief offenders against this particular section is the province of Ontario where most of the corporations in Canada are located. More corporations are located in Ontario than in any other province or grouping of provinces. Certainly, business in Ontario pays far more income tax than the totality of the rest of Canada. However, it is impossible to change the Ontario corporation tax act to make it mesh with these particular sections. It is not possible to do so. I am going to repeat what I said on Friday afternoon. This government has only a partial interest in corporation tax.

The hon. member for Hamilton-Wentworth should advance this argument on behalf of his constituents. During 1972, the corporations resident in his constituency will have to conduct their affairs under two different corporation tax sections.

Mr. Gibson: I rise on a question of privilege, Mr. Chairman. Most of my people are working people, employees. I have very few corporations in my constituency.

Mr. Lambert (Edmonton West): That is indeed a real question of privilege! The hon. member thinks that to identify with the word "corporation" is anti-labour. Some members think that the word "corporation" leaves a nasty taste in the mouth. Those people who are doing business and employing people in the hon. member's constituency are operating corporations. It is a corporation when two painters put the word "limited" behind their company name. I can also refer to the constituency of the hon. member for Bonaventure-Îles de la Madeleine. Any company in Quebec with the letters "Inc." or the word "limité" behind its name is a corporation. This applies where two small individuals are running a trucking business. I am not talking about the big corporate organizations. As we mentioned in discussing section 74, even a husband and wife who incorporate their grocery store, dry cleaning business or whatever it is, are operating a corporation. If those are not the people about whom the hon. member is concerned, then he is wrong.

In any event, any small business that is incorporated in Ontario is going to have to operate under two different sections. What right does the federal government have to say to the provinces that they must amend their acts in order to conform with ours? The federal government has no greater jurisdiction with regard to income tax than do the provinces. The only reason we have one main act is the ease of collection and universal interpretation. How-

ever, we all know that for years the provinces have been entitled to a certain share of the revenue. The federal government has no business telling the provinces that they must change their acts to conform with the federal act. The provinces were not consulted with regard to the changes in the corporation tax, yet they have an equal right to impose that tax. The hon. member can make a speech. I would love to hear him make a speech defending the stand of the government on this form of taxation.

The Chairman: Order, please. I regret to interrupt the hon. member. I must do so to advise him and the committee that his time has expired.

Some hon. Members: Carry on.

The Chairman: Is there unanimous consent that the hon. member for Edmonton West continue?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): I prefer to yield to the hon. member for York South whom I know has a pressing engagement. I can come back to this debate. I will yield to the hon. member. Perhaps, too, there will be contributions from the hon. member for Hamilton-Wentworth and other members over there who seem to be pretty vocal.

• (3:20 p.m.)

The Chairman: Before I see the hon. member for York South, perhaps I might refer to the point of order which was raised earlier by the hon. member for Edmonton West with respect to the sections included in this group. It seems that sections 85 and 127 are the only ones which the Chair did not read—

Mr. Lambert (Edmonton West): Not 127. I did not say 127. Section 127 concerns the logging tax deduction and is not related to this at all.

The Chairman: Then, it appears that section 85 is the only one which is not in the group as read. Perhaps by consent we could include section 85 in this group. Is that agreed?

Some hon. Members: Agreed.

Mr. Lewis: I am sorry I could not help with the numbers of the sections, Mr. Chairman. My hon. friend from Winnipeg North Centre is away this afternoon, an event which should be marked, and he has the list.

I shall be very brief. I shall not follow the approach taken by the hon. member for Edmonton West. I rise to make two or three short points as strongly as I can. There are proposals in the sections now before the committee to which my hon. friends and I take strong exception. We object to the increases in the dividend tax credit from 20 per cent to 33 1/3 per cent.

An hon. Member: Even though it is grossed up?

Mr. Lewis: Even though it is grossed up. I notice that in the booklet originally distributed by the department, the booklet entitled "Summary of 1971 Tax Reform Legislation", among the examples chosen in connection with this subject is the case of a person whose marginal tax rate is 25 per cent. Then, there are cases of persons whose marginal tax rate is 40 per cent and 60 per cent respectively. An attempt is made to show, and it is shown, that the person whose marginal tax rate is 25 per cent would gain from this particular change in the dividend tax credit.

Mr. Francis: It is true.

Mr. Lewis: Of course, it is true. But it is not relevant. Let me say to the Minister of Finance and to the hon. gentlemen opposite who support this provision that this is the kind of red herring which may fool the hon. member for Ottawa West, but which does not fool me. I should like to know how many Canadians having a marginal tax rate of only 25 per cent own any shares in corporations which are worth more than a goldarn. Of course, they may own the occasional share or two receiving, maybe, a dollar and a few cents on each and amounting to a total dividend of $6 or $7 each year. But this example to which I have referred is merely an attempt to mislead.

Mr. Francis: I should like to ask the hon. member whether, in working out the arithmetic, he believes the new proposal is more favourable to those in the higher brackets, or less favourable.

Mr. Lewis: I will tell the hon. member for Ottawa West that I do not know the exact answer.

Mr. Francis: It is less, and you know it.

Mr. Lewis: I have not worked out the details and I wish the hon. member would stop jumping out of his seat. All I can tell him is that I am not impressed by an example which tries to tell me that a fellow whose marginal tax rate is 25 per cent has an interest in these comparisons at all. The point is that here is another concession to those who derive their income from dividends to the point at which it is important. To compare this with dividends derived by a man who may have a few dollars a year from that source is to talk irrelevant nonsense. Furthermore, anyone who understands the Canadian economy knows that as far the volume of investment is concerned—not the number of investors, but the volume of investment—the most important role is played by corporate investors. The largest amount of investment in a corporation, if it is of any importance, is held by other corporations.

So all this exercise, as far as helping individuals is concerned, seems to me to be totally unacceptable and the mere change in the tax credit is objectionable to us. Similarly we object to the proposals to reduce corporate income tax over a period of time to 46 per cent from its present level. We object to the whole concept. We object to the double standard which is shown throughout this legislation, and I have called attention to only one example of it.

The whole of the tax legislation we are now discussing makes us unhappy because we take exception to the double standard which is employed, the different treatment accorded to those who are making their money out of capital gains, which are to be taxed only to the extent of 50 per cent, or through special concessions to mining or oil corporations, or through dividends, and so on, as compared with that accorded to the working man and woman whose taxes are deducted at source. Over and over again,

the standard applied to the rich is much more favourable than that which is applied to the ordinary Canadian.

I rise merely to emphasize a point which has been made by some of my hon. friends over and over again. We do not intend to go on making these points ad nauseam. It appears we cannot change the government's view with regard to some of them and we do not intend to keep on talking and putting our arguments forward without serving a useful purpose for the Canadian Parliament or the Canadian people. But we believe that every time an issue of this kind comes up it is our duty to place our position on record, for we are against treating the corporations and the rich with silk gloves while placing the real burden of the tax system on the middle class and those living at a low income level.

Before I sit down I wish to make it clear as leader of my party that we have nothing in common with most of the objections raised by the spokesmen for the Conservative party. We have nothing in common with the hon. member for Edmonton West when he sheds tears for the corporations, or with the kind of objections he is raising to the legislation. We may sometimes be wrong. No doubt we are. But we are interested primarily in the protection, in our view, of the poorer sections of the community and of the middle income people. To the extent the corporations, or people with a great deal of wealth, pay less, that much more has to be contributed by those who have little. That is the history of this new tax system. This proposal makes a few desirable changes but does not basically alter the inequities from which our taxation system has suffered. It is for this reason that I cannot agree with the suggestion the leader of the Conservative party made the other day outside the House, and I think inside the House, though I was away on the day it may have been made, in regard to passing the entire bill, bringing certain sections of it into force immediately and then waiting some months for the others. This seems to me the kind of suggestion that derives from an element of society which really does not need or deserve the concern of the members of this House.

• (3:30 p.m.)

We want some basic changes made to the provisions having to do with co-operatives and credit unions so as to ease the burden of taxation where it should be eased. We do not think it is of any value to keep on talking on the bill for a further period of months; we have already talked about the bill for a long time. Neither do we intend to fold up unless the government is prepared to see the justice of certain representations that have been made, and to make substantial changes to the law in regard to the taxing of co-operatives and to other provisions in the bill. If these substantial changes are not made, it is our duty to continue fighting for them. I took this opportunity of rising for a few minutes to make clear that I do not share the suggestion made by the leader of the official opposition, any more than I share the tears shed by spokesmen of the Conservative party over the penurious corporations that are affected by this legislation.

Mr. Osler: Would the hon. member permit a question that revolves around a statement made by Premier Schreyer, quoted in the Winnipeg *Free Press*. I am sorry I cannot give him the date from the reproduction that I have, but I will send it to him if he wants it. He was griping about some statements made at a convention of his party and said that his government should concentrate on economic development which will provide the most jobs for people. Then, his industry minister said that he was tired of all this ideological hang-up that had been shown and stated that the bulk of the industry in Manitoba is private and deserves their support.

In view of the statements that the leader of the NDP has just made about Canadian corporations, most of which are small and to which we are trying to give some measure of support, would he tell us what is his philosophical position? Does he believe that small corporations are worthy of some support, as do the premier of Manitoba and the industry minister of Manitoba?

Mr. Lewis: If the hon. member for Winnipeg South Centre understood what he has read he would find no difficulty reconciling what I said and what the premier of Manitoba said. I agree with the premier of Manitoba, and so does my party. We accept the fact that most of our economy is privately owned and controlled, and if we had an opportunity of doing something about it as a government, either federally or provincially, we would look forward to a mixed economy for a long time to come, if not forever; I do not know. By all means, we agree that the smaller corporations have to be given the opportunity to live and to make a fair return on their investment. I have no doubt that the minister of industry in Manitoba is prepared to have the Manitoba Development Corporation assist any industry that provides jobs, whether that industry is privately or publicly owned.

On that score, there is no difference between him and me or between the provincial party in Manitoba—that is, the majority of them—and the federal party. I have no difficulty reconciling the two. All I am saying is that, whether it is a small or a large corporation there ought to be an equitable tax system that ensures we all carry a fair burden of taxation. I particularly object to the increase in the dividend tax credit from 20 per cent to 33 per cent, because I am not convinced from what I have seen that this does not give a very positive advantage to those who make a large part of their income from dividends. I frankly admitted I had not made a lot of calculations, and I do not accept the tables provided by the department as the final word. Only experience will show. A good many other matters have to be taken into consideration, such as total income, marginal rates and so on. I am not at all convinced that this change is a change for the better as far as a more equitable tax system is concerned.

Mr. Osler: Mr. Chairman, I have found the reference to this report and will provide it for the information of the House. It is the Winnipeg *Free Press* for November 22, 1971.

Mr. Mazankowski: Mr. Chairman, I am delighted to participate in the debate on this very important section of the tax reform bill dealing with the taxation of the operations of small business corporations. Certainly, I do not put myself forward as an expert on taxation but I do happen to have had some experience operating a small business, and it is from that standpoint that I should like

to make a few points for the consideration of hon. members on both sides of the House.

It is obvious to me that this legislation—in fact, the whole concept of the provisions with which we are dealing this afternoon—is the product of academics and theorists who have very little experience with, or knowledge, of, the day to day workings of a small business, its ups and downs, the vagaries of the country's economy both internationally and nationally, the whims of the weather, and the responsibility one has of meeting one's commitments, discharging his various obligations and meeting the weekly payroll, while at the same time attempting to eke out a reasonable living for oneself. I am sure the drafters of this bill have never had to deal with their bankers, friendly or otherwise, in order to meet the day to day expenses of operating a business or the meeting of overdrafts. I happen to be in the automobile business and have to deal with trade-ins, accounts receivable and all the ramifications which come forth in such an operation. There is no provision whatever in the bill that appears to me to be an incentive to small business.

I should like to ask the spokesman on that side of the House how in the name of heaven he can suggest that this proposal is an incentive to small business, as is suggested in the summary of the 1971 tax reform legislation. In the competition bill—we do not know whether it is still in the House or out of the House; right now, I suppose it is in a state of limbo—there are some guidelines or criteria established for what we refer to as misleading advertising. If an intelligent man found an advertisement misleading, that would constitute a contravention of the bill. I would certainly suggest that after reading page 37 of the Tax Reform Summary one could very easily be mislead into believing that this bill is the salvation of small businesses. Unfortunately, it is not. Those responsible for drafting this legislation are also responsible for proposing the wholesale extinction of small businesses in this country. We only have to face the reality of the business climate of this country to know how uncertain the existence of small business is in Canada.

• (3:40 p.m.)

In my part of the country, about 35 per cent of the economy is in the form of small business enterprises. The business climate in this country is very uncertain at this stage. We have pressures on the international economy which not only affects small businesses but large businesses as well. We know that bankruptcies are at a 10-year high. Businesses, particularly in my part of the country, have to rely to a large degree on the ups and downs of the agricultural industry, and that industry is affected in a very disastrous way. In other words, this is a period of gloom and doom for the people in that industry.

We see the proposal is that in 1976 corporation incomes of $50,000 or more will be taxed on the basis of 46 per cent rather than 50 per cent, which is a reduction of 4 per cent. At the same time, small business corporation taxes will be increased from 21 to 25 per cent, which is an increase of 4 per cent. I know there are ramifications in respect of the distribution of dividends and what not, but that is another of the complexities of this bill I want to discuss. Many rational observers of the tax reform bill, including the members of the legal profession, have advanced major criticisms in respect of this area of the tax reform legislation which affects small businesses. Certainly, it is in this area that the private entrepreneurs have difficulty in affording the required expertise of professionals to file their tax returns in such a way that they may derive the greatest benefit from the provisions of the law.

Certainly, nowhere in this tax bill do I see any incentive for small businesses. Let us look for a moment at the number of corporations this bill affects. The *Guardian* issue of 1970 provides some very interesting statistics in this regard. Based on 1967 tax returns, some 88 per cent of firms operating in Canada, filing Canadian tax returns, reported income below $35,000. These proposals strike at the very heart of business in this country. A total of 81,366 firms of the 92,239 for which data was on file, fall into this category. If we are to stifle that massive part of the business economy of this country, certainly we are going to lead ourselves into wholesale unemployment, worse than we have today.

People in this type of business are providing jobs. They are certainly working more than eight hours a day. As a matter of fact, as a result of government regulations we find they are working perhaps 15 or 16 hours a day, eight hours in production and another eight hours in order to abide by the rules and regulations prescribed by the government. If we continue to work in the direction of destroying the initiative of small corporations, we are going to aggravate the economic situation in this country beyond all possible cure. Instead of increasing the tax on small business corporations, we should decrease it.

It is my belief it is in the area of small business that we have the most effective and efficient operation, the best innovations which have provided new jobs and the development of facilities we would not otherwise have. I recall the formation of the Versatile Manufacturing Corporation which started out as a one-man operation. It was a small business in the city of Winnipeg. It grew to the point where it is now a large exporter of Canadian machinery products. This corporation has served a very useful and viable purpose, to the advantage of the agricultural community of Canada. It has become the exporter of a great deal of machinery to the United States. This corporation started as a one-man operation. He joined forces with another and they developed a system of hydraulic engineering service for combines. This, in turn led, to the development of grain augurs and swathers. Today, this company produces a great deal of farm machinery. It is a wonderful Canadian organization and I should like to see more of the same type. I believe more operations of this type could be encouraged by government incentive, combined with the expertise and ambition of the type possessed by Mr. Robinson of the Versatile Corporation.

In passing, I might suggest that one-third of the small businesses with an income of less than $35,000 per year exist in western Canada, but over the past few years they have experienced a very difficult time. We only have to look at the report of the Barber commission on farm machinery to understand the situation. We find there is one area, that of the dealer distribution of farm machinery, that is not out of line in respect of price increases in this country. It was made abundantly clear that farm machinery dealers were discounting their sales to the extent of 15 per cent in order to remain competitive,

hopefully, to survive. However, when we look at those farm machinery dealers in the three prairie provinces, we find that because of the slowing down of the agriculture industry a number of companies have either had to consolidate or go broke. That is perhaps the only advantage one has of running his own business. He has the privilege of going broke.

We see a consolidation of business taking place without any corresponding initiatives by the government to overcome the economic plight which they face. Instead, this government is moving in the opposite direction. We see a massive consolidation of small corporations which become big corporations. Small businesses, particularly in rural areas, are the lifeblood of small communities. I notice that the Minister of Agriculture has now redirected the Department of Agriculture toward the provision of stronger rural communities. Perhaps this has occurred as a result of the ministers of agriculture in the prairie provinces taming the minister in respect of his agricultural adjustment policy. This, in my opinion, is long over due. We need a new enthusiasm for small corporations, small businesses and private, independent intrepreneurships so that they might be fostered and developed. We do not see any provision for that in this tax bill. It is for this reason I rise in my place today to make a most vigorous objection to this provision in the bill.

• (3:50 p.m.)

There are now, I believe, five provinces which have urged this government to postpone implementation of this measure which bears on corporate domestic and international income. It is far to complex. Certainly, the Leader of the official opposition put forward very recently a compromise proposal that we pass the sections of the bill which deal with the increased exemptions and so on, because we would seem to be getting into a situation here where we are running a race with the clock. I believe a tax bill of this nature, magnitude and complexity should not be proceeded with on the basis of a race with the clock. So, I believe the Minister of Finance and members on the opposite side of the House owe it to themselves, and to the people of Canada, to urgently consider the proposal put forward by my leader.

Mr. Osler: Mr. Chairman, may I ask a question of the hon. member?

Mr. Mazankowski: When I am finished, Mr. Chairman, he can ask me a question. The other point which concerns me is the whole climate in which small businesses must operate and the fact that consideration of small business is generally absent from the formulation of government policy in this area. We know that governmental policy is influenced by big business and big unions. I believe everyone in this House of Commons should examine very seriously exactly where we are headed in the matter of small business in this country, because I believe there is something about small business which is unique. A man must have an opportunity to develop his potential to the maximum of his ability so that he might utilize his initiative in a spirit of pride. The trend to bigness and the trend to big corporations produces an important part of our problem today. The labour unrest and the pressure of big unions have been a result of our total approach to bigness. As I said before, the dominating forces of both unions and big business play a very important role in respect of government policy. We know small businessmen do not have an effective organization and therefore are not readily able to analyse and influence government decisions. They lack the opportunity, the expertise and the organization to put forth their proposals in a firm and articulate way.

The other point is that small businesses lack any political clout because they do not control large blocks of votes. I believe members in this House of Commons who have small business entities and enterprises in their constituencies certainly should rise in their places to urge the government to give some consideration to streamlining this bill so that it would be easily understood by the average person and small businessman generally. These are the average people who look upon the government as infringing upon the decision-making functions they have. When we have a situation wherein 46 per cent of the gross national product is being extracted by the three levels of government, we find we have a network of regulations which do nothing but bring about increased frustration and anxiety for the average businessman. I would hope, throughout the reshaping process which is taking place in this country in respect of small business, that the government would step back a little and have a look at the situation in an objective way because the three bills before us now—Bill C-259, the competition bill and the amendments to the Labour Code—could very well change the whole structure of the small business community in this country.

Rather than the small businessman being soaked with an increased rate of taxation, I would hope there would be some incentive for new independent entrepreneurships to develop, to grow and to help the economic climate in this country, because in that manner I believe we would develop major corporations such as Versatile, the Canadian farm machinery manufacturer in Winnipeg. I would also hope that we would make it possible for more organizations such as this to develop. While governments probably have assisted organizations like Versatile in some way, I believe as we look around this country we will see there are many more innovators, if I may use that word, who could develop products which could be sold both domestically and internationally. In this way jobs could be provided for Canadians, revenue for governments at all levels, and certainly a better climate of enthusiasm in this country.

Mr. Osler: I have a very small interjection, Mr. Chairman. I wonder if the hon. member for Vegreville has any suggestions to make in respect of his concern about the race with the clock to which he referred. I wonder whether he has any suggestions concerning how we could beat this clock instead of being confused by it. It has occurred to me that in the mother of Parliaments, where the Conservative party happens to be the majority party at the moment, they worked out a time allocation which enabled them to consider the whole vast problem of entering into ECM in a matter of a week. If the party in Canada shares the enthusiasm of the party in Britain in respect of time allocation, I wonder whether some way might be found to deal with this tax bill which, although complicated, is somewhat less complicated than the ECM problem in

England. I am wondering if the hon. member intends to make some suggestion to his House leader about time allocation which would help us follow the example of that party in Great Britain in the mother of Parliaments, which we all admire and which we have often had invoked as a precedent to us.

I would also suggest briefly to the hon. member that when he talks about helping small businesses get off the ground, as it were, he look at page 37 of the plum coloured summary, because he will see that this is exactly what this government proposes to do. On that page we read:

The rate will be 25 per cent on the first $50,000 of business income of Canadian-controlled private corporations.

• (4:00 p.m.)

The incentive will stop, however, at $50,000 in any one year, and of course will stop at the accumulation of $400,000 because we do not want large corporations to take advantage of an incentive that is meant specifically for small ones. If they did they would be getting something that they did not need and to which they would not be entitled, so individual taxpayers and the small corporations would have to make up the difference. It seems to me also that when the hon. member uses Versatile as an example, he uses an excellent example.

Mr. Alexander: I rise on a point of order, Mr. Chairman. It has been stated, and I think it continues to be stated, that we in the opposition are attempting to filibuster the bill. I want to go on record as saying that when comments are made by way of long speeches rather than questions, the filibustering comes from the other side.

The Chairman: Order, please. The hon. member for Winnipeg South Centre has the floor.

Mr. Osler: I am sorry my purpose was misunderstood. In my own small way, I was trying to make an interjection and not ask a question. I am sorry that my delivery was not sufficiently clear to get this across, but it really is meant to be an interjection and not a question.

As I was saying, Versatile is the product of two ingenious men, not one, of Robinson and Pacosh. It is my understanding that they started and developed their company by using the perfectly legal device of grouping quite a number of small companies until they were able to get the thing off the ground and consolidate into one, which became Versatile. I think they launched it with $5 million at that point; but until they got up to the point at which they could employ $5 million of equity capital they were using this device which we are proposing to retain here, by means of which a small company can obtain tax concessions until it grows. They had something like 11 companies. I am not sure of the exact number; it is a long time ago. It was only after they consolidated that they became a big company. The reason for their phenomenal success was twofold: one, their great brains in the mechanical engineering field, and two, their great perception in the marketing world because they set up a marketing system which was somewhat unique. They were able to pretty well steal a march on their competitors from as far north as Edmonton, as far south as Texas and as far east as Pennsylvania. I am proud they are in Winnipeg and I hope they will remain, although I have heard rumours that they were thinking of moving out because of the high taxes they pay now in Manitoba. I hope they will not do that because the short term should not be measured against the long term, and sooner or later they will get tax reductions, even in Manitoba, when the government changes there.

I did want to interject my delight in the thought that perhaps members of the opposition were becoming time conscious and were thinking of coming up with some suggestions for time allocation, in the hope that they really understand that this proposal does genuinely help small businesses and therefore merits their support, if the sentiments they have been expressing are their true sentiments.

The Deputy Chairman: Order, please. Before I give the floor to the hon. member for Vegreville, perhaps I should make a comment to the committee to clarify which sections are under study at this time. It was brought to the attention of the Chair by the hon. member for Edmonton West that last Friday, November 26, the committee accepted sections 36 and 37. The committee is proceeding now with the study of sections 38 to 41 inclusive, 82 to 85 inclusive, 89, 112, 121 to 125 inclusive, 129, 143 and 183 to 197 inclusive.

Mr. Lambert (Edmonton West): I rise on a point of order, Mr. Chairman. Somehow or other sections 36 to 41 slid into this group. We want to look at the subject matter of section 36, which is on railway companies and which we passed on Friday. Section 37 is on scientific research. We also passed that on Friday. Section 38 is the opening section on capital gains. We had that section under discussion on another occasion, and as a matter of fact there is an amendment and a subamendment to section 38. Section 39 deals with capital gains. Section 40 is headed "general rules". It has nothing to do with corporations except as it might incidentally apply to corporations. Section 41 determines the meaning of taxable net gain from dispositions of listed personal property, which has nothing to do with corporations and shareholders, except inferentially when they list personal property. I do not know how corporations could list personal property. I suppose they can have paintings, jewels and so on, but it seems to me that there is a better point of departure than through this group of sections. I did not want to make my comment publicly and I was doing it privately, but events have overtaken me.

[*Translation*]

Mr. Clermont: Mr. Chairman, did I hear you say sections 183 to 197? Shouldn't it be sections 181 to 197?

The Deputy Chairman: I did mean sections 181 to 197.

[*English*]

Following the remarks of the hon. member for Edmonton West, the Chair wishes to seek the advice of the committee regarding the sections that should be studied at this time. It is very difficult for the present occupant of the Chair to judge the relationship between one section and another unless I make a thorough examination at this time. Therefore, I would invite either the parliamentary secretary or the hon. member for Edmonton West to make

some kind of suggestion by which the committee could abide.

Mr. Lambert (Edmonton West): It is very simple, Mr. Chairman. I read out the first block of sections that is not very relevant. Then, we come to section 82 which is included in Your Honour's list, subdivision h—corporations resident in Canada and their shareholders. The heading of the section is "taxable dividends received". That section has to do with shareholders. So, let us hinge the discussion on section 82, and all the other sections will remain as read out.

[*Translation*]

Mr. Clermont: Mr. Chairman, I think sections 38 to 41 deal with capital gains.

[*English*]

The Deputy Chairman: Am I to understand that we would not consider at this time sections 38 to 41, which were read out at the opening of the committee this afternoon, so those sections which will be called will be from section 82 onward. Shall section 82 carry?

Mr. Mazankowski: I merely wanted to reply to the question raised by the hon. member for Winnipeg South Centre. I can assure members of the House that I will not be as longwinded in my answer as he was in his question. His first question was whether we were disposed to speed up the process. I believe that my leader offered a logical proposal, and if members on the other side in their wisdom wish to accept this proposal, I am sure it would speed up the process significantly. But it seems that hon. members on the opposite side of the House consider that when there are any concessions to be made, they have to be made by the opposition rather than by themselves.

With regard to the debate that is taking place in the United Kingdom with respect to the European Economic Community and their participation, I understand the debate was merely a matter of the resolution and as yet the bill has not received final passage. The full details of the bill will be examined later.

• (4:10 p.m.)

Getting back to the incentive with respect to small businesses, perhaps it is because I am not a tax expert that I cannot understand, but it seems to me when a small business has its income tax increased from 21 per cent to 25 per cent, that is not an incentive. It is a very simple matter of narrowing the gap between small corporations and large corporations. I object to this very much. I would say if the government truly wanted to offer an incentive to small private businesses to get started, they could have gone the other way perhaps, thinking of many Canadians desirous of establishing their own business to the benefit of all Canadians.

With respect to the matter of Versatile, he is right. Versatile was co-founded by two men, and this was allowed to I believe in my remarks. I believe the leadership was provided by a Mr. Robinson, and a man by the name of Pacosh was taken in who happened to be an engineer. I would not want the impression left that there was only one man. The success of the company resulted from the combined expertise of Mr. Robinson and Mr. Pacosh.

Mr. Lambert (Edmonton West): Mr. Chairman, I wish to resume the argument I was making at the conclusion of my first round. If we look at the proposals for the taxation of corporations, I think it is necessary that we look at what we have now, what was proposed in the white paper and what all of these sections now represent. Incidentally, I have found another section which has nothing to do with this subject, section 122 and it is on the list. It deals with *inter vivos* trusts and not in any way corporations and shareholders.

We know that at the present time we have what is generally known as the two tier system, that any corporation whose income is less than $35,000 in a taxation year will pay at a base rate of 21 per cent plus any surtaxes or what have you that are in existence; at or over $35,000 the rate climbs to 50 per cent plus surtax if any. This two tier system has had an historical development. As I recall, the 21 per cent first applied to the first $20,000 and ten or eleven years ago that was increased to $35,000, bearing in mind the devaluation of money over the period of time and other requirements.

One would have hoped that the only change made now would be to generally take into account the inflationary change. Business understood the two tier system. I can assure you, Mr. Chairman, and hon. members, that I cannot tell which excited the most comment, the deemed realization every five years on shares of widely held companies, the capital gains tax on principal residence or the elimination of the two tier system dealing with the taxation of corporate business. The latter seemed to excite everybody. It was universally condemned with the exception of those academics who think that they are such intellectual purists and who insist upon this so-called principle of equity or as it is sometimes described, absolute neutrality between classes of taxpayers. These people have never been in business and would not know how to run a peanut stand or a service station. They do not know the problems of getting a small business started, running it and developing it so that it is a viable operation supporting the owner and his employees. It was with the same reaction, it seems, that members of the Senate Committee as well as members of the standing committee of the House of Commons received these protests that the two tier system should go and that everybody should be taxed in the same way. I just cannot see why there should be neutrality, Mr. Chairman.

Coming back to the point I have made time and time again, Mr. Chairman, it seems to me that the taxpayer's understanding of a tax, and his willingness to pay under a tax system, are just as important as administrative convenience or some fancy theories of the tax experts. This blessed bill seems to have forgotten the taxpayer, though he is the one having to bear the tax. He must understand the tax he pays, whether he is in business, whether he is a wage earner or is on a salary. Is there some God-given right that enables administrative officials to devise a tax system, put it on the back of the taxpayer and then have him treated like a dumkopf, simply a dumb head? Is he supposed to be thankful that he is going to support a system of taxation whether or not it is understandable? Certainly, the philosophy behind the white paper on tax changes has something to do with being a taxpayer who has to produce, not simply with someone on a salary

which has its source in someone else's productive energies and abilities.

We have moved away from the white paper proposals, except that there is a vestige of integration left in the "gross up" in credit involved with regard to the elimination of the 20 per cent dividend tax credit. A mild form of integration is involved there. Thank goodness we did away with the nonsense of "closely held corporations", "widely held corporations" and the distinction between "Canadian corporation" and "foreign corporation".

Let us see what is before us now. I should like to deal with section 123, "Rate for corporations". My colleague from Vegreville has already spoken about this section. At the present time, corporate taxes on corporations are paid regardless of nationality of ownership. I suppose it might be said that there is neutrality. Those people who were the great exponents of neutrality between taxpayers should look at the present act. There is neutrality regardless of size or nationality of ownership and the tax rate is 21 per cent on the first $35,000 of the taxpayer's income and 50 per cent on the excess.

• (4:20 p.m.)

As we know, and as is explained in the bill, the general rate of tax will be 50 per cent in 1972 and that will reduce by one percentage point per year until it reaches 46 per cent in 1976. There is to be a continuing general abatement of provincial taxes at 10 per cent and, to replace the 21 per cent, there is to be a much more restrictive reduction with regard to the general rate for small businesses. There are also some transitional provisions that appear in the interim transitional rules in section 51. We need not go into them at present. It must be noted that for corporations a rate has been suggested that includes the "standard" provincial rate and that there is a 10 per cent provincial abatement as under the present system. But the decrease to 1976 will reduce federal revenues only. So, we must see what the provinces will do. After all, at the last dominion-provincial conference of a fortnight ago, it was set down clearly that if provinces want to get additional revenues, there is a flexibility for them to tax. We know that in certain provinces the total corporate tax rate is much above 50 per cent. In Manitoba and Alberta there is a form of surcharge. Ontario is the only province that imposes the basic 50 per cent.

If one examines the flow through of ideas from section 123 to 124 and then looks at section 125 which is entitled, "Small business deduction", it will be seen how difficult it is to disagree with the interpretation placed on section 125 by the hon. member for Vegreville. Underlining what he said, I invite the parliamentary secretary to explain section 125, and particularly the last paragraph of section 125(1) which reads in part:

> ... the reference in this subsection to '25%' shall be read as a reference to '24%' for the 1973 taxation year ...

Let him explain the deductions. You see, the section says that there may be deducted from the tax otherwise payable under this part a certain amount. The tax payable under this part actually is 50 per cent, declining down to 46 per cent in 1976. So, there may be deducted from whatever figure appears under "tax otherwise payable" an amount equal to 25 per cent of the figure derived from the formula that is given. According to the last paragraph of subsection (1), in place of "25 per cent" you must read in subsequent years, 24 per cent, 23 per cent, 22 per cent and 21 per cent. Therefore, the deduction from the tax normally payable will be on a reducing basis. A company availing itself of the small business provision will be fixed with regard to the rate of tax. Let us look at the rate for 1974: it is 48 per cent. According to section 125, in 1974 the deduction shall be 23 per cent. Unless I am wrong, 48 less 23 leaves 25. Therefore, the rate for small business is forever fixed at 25 per cent. They will not get any additional advantage, as provided for in section 123. I may be wrong. The hon. member for Vegreville may be wrong. If we are, we invite the parliamentary secretary to show where we are wrong in interpreting this particular subsection. It seems to me that here there is a grave difficulty.

In discussing restrictions that are imposed under section 125 I really want to discuss the provisions of subsection 2(a) saying, "a corporation's 'business limit' for a taxation year is $50,000, ... ". I should have liked to see a platform or a plateau in a two-tier system introduced which would have brought the former limit of $35,000 up to $50,000. That is the spirit I should have liked to have seen on the part of the government in an attempt to comply with the realities of inflation. It would have been so simple, so very simple, to bump up the $35,000 figure to $50,000. Business would have understood just what was being done and the government would have acknowledged the inflationary situation, as it has done in the past, by increasing the limits to conform with the realities. That would have been the fundamental reason for that action. Individuals are now enjoying much higher incomes; they are not real incomes but much higher dollar incomes bearing higher tax rates.

Why will not the government give businesses the benefit of the type of thinking that has been extended to individuals. But, no, we are to introduce a very complicated system and there is a limit of $50,000 within one year. Once the accumulation of taxable income reaches $400,000, the small business provisions or privileges will no longer apply to that business. Why, at $50,000 a year, under inflated dollar values, it will take a business about eight years to accumulate $400,000 of inflated dollar income. I invite the parliamentary secretary, in whose constituency there are many small businesses and who knows something of business, he having been in business, to comment on this. Under inflation you can reach the figure of $400,000 just as quickly as you could have reached $275,000 under the present provisions. I think we all recognize that that would have been quite unfair. If such a level was unfair then, why should it not be unfair now? It seems to me that business will not thank the government for introducing these restrictions.

Furthermore, if companies are in a group, if they are associated with one another in a taxation year, and they have filed a certain type of agreement, the minister must consider them all as being part of a group and the small business provision does not apply to them. There must be some relation between this provision and old section 138. I will look. I see, having looked, that this is not like old section 138(a) of questionable parentage under which the minister was given great discretionary powers to determine who were associated companies. This is an indica-

tion where discretionary powers are granted to the minister.

• (4:30 p.m.)

I now come to the third matter. I referred to this in my speech earlier this afternoon. If a company is controlled by a public company or non-Canadian ownership interests, it cannot in any way qualify for the small business provision. I think the parliamentary secretary owes the committee a very serious and detailed explanation. Is this to be the thrust of the government's foreign ownership policy? I do not want to return to that in great detail, but is that going to be the thrust?

Other companies which may not qualify for the small business provision are companies without Canadian active business income. In other words, they may not qualify if the income is from investments. Corporations that have Canadian business income can only use the rate for that income and not foreign income, interest income, or other passive income. Why the distinction? If a Canadian company has foreign business income, why can it not use the provisions of the small business section? If it has business income from non-Canadian sources, why should it not be able to use that? There are many answers required to a multitude of questions. Before this committee should even be asked to pass these sections, there must be some answers. I can go on and on with regard to these particular subsections.

What about these ineligible investments and all of these things that come under sections beyond section 125? I wonder if the parliamentary secretary is now in a position to reply to this series of questions. We cannot participate in an intelligent debate until we know the position of the government. I have directed several questions to him. I hope we can get some answers. I do not want to embarrass the parliamentary secretary. I know the minister is not here this week and the Minister of National Revenue will be taking over later. The Parliamentary Secretary to the Minister of Finance is likely participating in some rejoicing as the result of a certain football game which was played in the rain.

Mr. Marchand (Kamloops-Cariboo): What do you mean?

Mr. Lambert (Edmonton West): The hon. member for Kamloops-Cariboo should not boast about the weather in his province after that kind of a show for the Grey Cup.

Mr. Baldwin: Mr. Chairman, I am moved to make a few comments on this aspect of the bill. I am interested when I see the faces of members in the government benches. I am sorry the hon. member for Winnipeg South Centre is not in the chamber. He was here a few minutes ago. He did not hear the very reasonable answer by the hon. member for Vegreville with regard to the length of time that is being spent on this bill. He complained about this and made a comparison with legislation in the United Kingdom. I agree with and want to reinforce the answer given by the hon. member for Vegreville.

The debate in the United Kingdom, in the Mother of Parliaments, if I can use the hallowed phrase which the hon. member for Winnipeg South Centre used, was on a simple motion on the question of whether or not the United Kingdom should enter the common market agreement. This is to be followed by a number of legislative proposals. The debate on the motion was limited to eight days by agreement. The labour party has made it quite plain that it intends to debate, as long as possible, the issues involved in the legislation which will deal with the type of agreements to which the United Kingdom will be asked to subscribe in order to bring her into the common market.

I hold no brief for the labour party. They may have just cause for doing that. However, there is this distinction to be made. The government bringing in the legislation in the United Kingdom is a Conservative government. I think it is notorious that a Conservative government always brings in good, sound legislative proposals.

An hon. Member: They allocate time.

Mr. Baldwin: Of course, they do. In this case the opposition agreed to eight days on a motion. What happened here when the hon. member for Skeena attempted to move for the approval of the unanimous recommendation of the Standing Committee on Indian Affairs and Northern Development? The government cut off debate after one day. When do we have a situation in which the government will allow this House to debate one motion for eight days? There is the distinction.

It is well known that any government of Conservative persuasion will inevitably bring in good legislation.

Some hon. Members: Oh, oh!

Mr. Baldwin: I see that no one challenges me on that score. It must be accepted. The hon. member for Hamilton-Wentworth rose on a question of privilege because he represented a constituency of simple, working men.

Mr. Gibson: I did not say "simple". They are hard-working men.

Mr. Baldwin: I was thinking of their representation, that is all. Surely, he must realize that on the question of incidence of taxation, with the possible exception of capital gains tax, taxation is always an element in the charges which are passed on by business, corporations and individuals. This cost is always passed on to the consumer, regardless of whether it is for services or goods. The incidence of taxation, whether it is bad or iniquitous, inevitably falls on the back of the consumer. It does not really matter whether you represent corporations or simply consumers.

I want to follow up the point raised by the hon. member for Edmonton West last Friday, and repeat it today. It bears directly on this group of sections with which we are now dealing. I hope the parliamentary secretary will have time to absorb the very searching and brilliant questions asked by the hon. member for Edmonton West in order to reply to them when I have completed what I have to say.

The issue with regard to the wisdom of taking this group of sections, together with others to which we have referred, and deferring their ultimate implementation to some time in the future certainly appeals very strongly to me. It should also appeal to other members of this committee. We are now beginning to see, hear and read that an increasing number of Canadians are terribly concerned about what will be the ultimate effect of many of

the proposals, including those before us today. What will be the impact of these provisions upon the economy and industry, whether it is business industry, labour people, farm people or agriculture? It is becoming increasingly apparent that the proposal advanced by my leader and approved by my hon. friend from Edmonton West and the rest of this party is gaining wide acceptance.

• (4:40 p.m.)

There was an editorial in the Ottawa *Citizen* today approving the suggestion. The words used were "split the bill". We are not precisely engaged in that exercise. We understand that the government is determined to get the bill passed and we are trying to facilitate its passage as well as we can. But what we do want is an opportunity for those sections which must be passed, and which are obviously required at this time, to be enacted, to be implemented, as they will be upon Royal Assent. When that happens, all the clauses of the bill to which a delaying clause is not attached will become law. I think it is desirable that the clauses to which I have referred should be enacted and implemented. We shall be prepared to do even more than we are doing now to facilitate the passage of the bill so that there may be a completion of this debate, and I hope hon. members to my left in the New Democratic party and the Créditistes can be persuaded to join us in seeking that the bill is passed if an arrangement of the kind I have mentioned is made. But it should be clear that the sections which in our opinion are repugnant or undesirable or unclear and in need of amendment will be the subject of a proclamation motion. This would mean they could only be implemented upon what is known as an affirmative resolution continuing the proclamation being brought into the House, debated and approved.

These are the issues which are being discussed at various levels at the present time. I have every hope that the government will be persuaded to see the merits of the proposal which the Leader of the Opposition has made. I say this because it is becoming apparent that all sections of our economy and of our social structure believe it to be a sensible one. The business writers in all the newspapers of the country are not legion in number, I know, but they do speak for a substantial section of the community and they have almost universally declared that a compromise of the kind I have described should be adopted. I heartily agree with the pertinent remarks of my hon. friend from Vegreville as to the need to encourage small business as part of the economic and social structure of the country.

Just the other day the Retail Merchants Association, which reflects the views of thousands of small business people said: In the name of Heaven defer these provisions in the bill. As for the farmers, I have been out west twice in the last ten days or so, over each weekend. The farm population is concerned without exception about the impact of this bill upon them. They are not clear as to what its ultimate effects may be. They have said: You are right. The proposition advanced by the Leader of the Opposition amounts to a sensible and reasonable compromise without loss of honour on either side. Defer the bill. The members of this party believe that is a tactic which is eminently suitable.

Mr. Gibson: No doubt.

[Mr. Baldwin.]

Mr. Baldwin: The experts, the so-called experts, from the legal profession, the accountants and the tax experts, have all said practically the same thing. I realize there are also those who say: Let us settle the uncertainty. We do not like the bill, but at least let us have it. I do not think that is the correct attitude. We should be derelict in our duty if merely because we were unwilling to take the time to give the legislation the careful, though limited, scrutiny we are giving it at present from this side of the House, we should let the bill pass regardless of the consequences which might arise when it was finally implemented and the taxpayers had to worry about it. I recall, reading about this subject, that when the income tax was first enacted in this country it was called a temporary war income tax. That was in the days of the first world war. Its temporary nature has long been forgotten and these proposed amendments will become a burden fixed on the backs of taxpayers next year, the year after, the year after that and for many more years to come. The view of the minister and of the parliamentary secretary seems to be: blessed are the taxpayers of Canada, for they shall walk in the valley of permanent despondency.

It is for all these reasons that I support the proposal by my hon. friend the Leader of the Opposition. It would not be very damaging for the government. There is no question that further amendments to the bill are even now being considered. If I were a betting man and allowed to bet in this House I would venture a large amount of money that today, on the desks of members of the minister's staff, numerous amendments are awaiting consideration. I would prophesy that large numbers of amendments to this bill are even now being considered and when we go into the next session, the last pre-election session, I would be very surprised if the minister did not bring down an act to amend the Income Tax Act as amended by Bill C-259. I do not think there is any question about that.

Mr. Gibson: What about the pressure of Canadian nationalism and so on, and foreign ownership generally? Don't you think we should get on with these things?

Mr. Baldwin: A very interesting question. I would estimate that this bill, Bill C-259, was before the cabinet for several months. This delay in processing the legislation through the rigid and antedeluvian structure the Prime Minister has set up—

Mr. Gibson: Time spent in consultation, so that the people might know what was being done.

Mr. Baldwin: After all that, he wants us to put the bill through in a very few weeks. As to the entire subject of foreign ownership, it is only because somebody saw fit to exercise his own judgment—I do not say he was necessarily right in doing so—in deciding to make public the information the government had before it that the people have any idea about the government's thinking on the question.

Mr. Gibson: You are begging the question.

• (4:50 p.m.)

Mr. Baldwin: This government has been sitting on a decision on foreign ownership for long enough to hatch all the eggs this country needs for the next ten years. I suggest the hon. member has raised a non sequitur. It is

eminently desirable that this bill be not hastily rushed through the House; it would be wrong to do so. There is no doubt at all that it will be substantially amended at the next session of this House.

All we are asking the government to do at the moment, if lack of clarity is the question bothering people in the country, is to say that it accepts the proposition of the Leader of the Opposition that the bill be passed, but that the implementation of clauses that need clarification, that to some extent are undesirable, that need to have added to them other sections so as to make them workable, be postponed in order to offer the officials of the department an opportunity to speed up the amendment process in which they are now engaged, and to enable the business community, including farmers and others engaged in agriculture, to examine at leisure exactly what is going to be the effect of the legislation when passed. In that way, we can work together in that measure of harmony and co-operation that is so essential to securing those amendments that the minister will bring down in order to make the legislation more desirable. I am as satisfied as I possibly can be that thousands and thousands of people, including those who should be knowledgeable of these things, have yet to determine what in their opinion will be the ultimate impact of this legislation. I am sure there are those in the department who are conscientious, honest and hard working who believe the same thing.

Surely, our suggestion would restore a measure of confidence to the economic life of this country and to the business and agricultural community, unlike the situation today where there is no confidence at all. I think that a declaration by the government that, in its view, the proposition made by the Leader of the Opposition should be accepted would do more than any other thing to revive confidence among leaders and those who follow them in the economy and business life of this country. I venture to say that when and if the President of the Privy Council or the Minister of Finance stands up and says that yes, Mr. Stanfield, the Leader of the Opposition, is correct in his proposal—

Mr. Gibson: A point of order, Mr. Chairman.

The Deputy Chairman: Order, please. The hon. member for Hamilton-Wentworth on a point of order.

Mr. Gibson: I respectfully submit that the use of a member's name is out of order. I would ask the hon. member not to refer to another member of this House by name.

Mr. Baldwin: The hon. member is quite right. I was only quoting from memory a newspaper reference to the name of Mr. Stanfield, and that is all.

Mr. Gibson: You have been around here long enough to obey the rules.

Mr. Baldwin: I was talking about the question of confidence, and as long as we have interruptions like that from those who support the government, obviously there can be no confidence in the government. There are some parliamentary secretaries who have indicated through speeches in this House on this issue that they lack confidence in the government.

An hon. Member: That is not true.

Mr. Baldwin: That is as true as anything I have said today. Confidence is what we need here. This government is showing today an obvious bias against private initiative, enterprise and incentive. The major legislative programs are set up in such a way as to constitute the destruction of initiative and incentive, things that made this country what it is today.

I think we all recognize that in the social structure we now have there is a duty cast upon us to apply certain minimum standards of support. But we are not seeing this, we are seeing much more. We are seeing a situation where the government of this country deliberately, and with design and malice, is directing its attention toward providing sanctions, punitive sanctions, against those who are prepared to work in the expectation that initiative ought to be rewarded.

The Deputy Chairman: Order, please. I regret having to interrupt the hon. member but his time has expired, unless he has unanimous consent to continue.

Mr. Baldwin: I would be glad to carry on if requested, Mr. Chairman.

The Deputy Chairman: Would the committee give unanimous consent to allow the member to complete his remarks?

Some hon. Members: Agreed.

The Deputy Chairman: Before giving the floor to the hon. member for Peace River, perhaps I should take this opportunity of announcing the proceedings on the adjournment motion tonight. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Nanaimo-Cowichan-The Islands, finance; the hon. member for St. John's East, fisheries; the hon. member for Winnipeg North; power.

Mr. Baldwin: May I thank the committee for its courtesy. When I have concluded, as requested by the hon. member for Sarnia, I think it was, I shall identify the authorship of these remarks.

I list some of these measures I have referred to which have been proposed in recent months. There were some of the farm program bills, part of the competition bill, part of the labour code and the so-called new aspects of the tax bill. It is true that the latter bill has been reduced in severity from the drastic proposals of the white paper, but it still contains real punishment for those who believe in the value of the individual enterprise system. When one has been threatened with a great injustice, one sometimes accepts a smaller injustice as a favour. This is the philosophy of the Prime Minister, the Minister of Consumer and Corporate Affairs and the Minister of Finance. They make a great threat and then reduce it, and as a result the smaller injustice seems almost to be a friendly act. An injustice occurs when the many are denied reasonable rewards and recognition for their contribution and others are unduly rewarded.

The twilight of our society grows on us when we see the extent of excessive government intervention and control

as it spreads through the land—in our farms, our businesses, our industries and our factories. We have built great shining temples as monuments to, and luxurious housing for, the bureaucrats. They are the new high priests of society, and we worship at their altar. If this twilight turns, as it surely will, into the dark night of an unhappy and cheerless life, we can blame none but ourselves. Because we will have built the abyss into which we shall slide, and have constructed the darkness which prevents us from seeing the precipice.

That was a speech that I delivered last Saturday night at the nominating convention for the hon. member for Palliser.

Mr. Saltsman: Mr. Chairman, I have been following the debate and can only come to the conclusion that our whole taxation system is in an incredible mess, particularly in the area of corporate taxation. In no section of this bill is there less evidence of any tax reform than in the proposals dealing with corporate income. In fact, we are continuing a system that has been in place for a long, long time, a system which to some extent was unworkable before and will be even more unworkable now. I am interested to note that the opposition finds itself in a position, in respect of taxation changes, to be as critical as ever. I think, by and large, our whole approach to corporate taxation has failed completely, and we should be taking a second look at this situation. During the years in which we have studied our tax system we should have been able to come up with something more successful in respect of corporate taxes. Most of the suggestions of the opposition were thrown away and we now find ourselves back where we were at the beginning. All we have succeeded in doing in respect of corporate taxes has been to shift their impact. Corporate taxes in Canada have actually become sales taxes which are passed on to the customer. There is growing evidence that this is what is happening.

• (5:00 p.m.)

All our attempts to extract income from the larger corporations have met with less than success. If we look at the amount of tax governments are collecting as compared to the amount paid by corporations, we find there is a decline. More and more funds are coming from individuals and less from corporations. Everybody wants to collect money from the corporations, but at every turn of the wheel the corporation has managed to outfox the tax collectors of this country. We must take this fact into account. We are talking about extracting funds from corporations, but it seems the corporations wind up as the winners in that kind of an encounter. We have considerable evidence that present corporation tax acts are insignificant and inefficient. Our corporation tax laws reward the inefficient and penalize the efficient individuals in this country. Corporation tax is collected from companies that make money. We find many corporations which are using valuable resources in this country but are not paying taxes. It seems to me that the world source of resources should be husbanded. Perhaps this idea does not make a great deal of sense. It seems very obvious that we must come up with a taxation proposal a great deal better than the one now under consideration.

[Mr. Baldwin.]

This government seems completely lost as to how to handle corporations. The government has responded to all kinds of pressure, contrary to what my friends in the party to the right have said. The government has not accepted its responsibility. Twice the government has proposed changes in this legislation, and each change has made the legislation worse and less understandable. All we have done has been to make more work for tax lawyers and chartered accountants. Even the professionals do not understand the ramifications of this tax reform as they relate to corporations. There is a lot of headscratching going on among Canadians who are trying to comprehend this bill. Many people are trying to understand how to advise clients about the ramifications of this measure. I wonder whether the government itself understands this bill. The government brought it in and changed it, and when we make adjustments we must try to understand those adjustments as they take place. There is apparently no logic, clearly definable goal or purpose to what is being proposed. In many ways, this tax system goes contrary to our Canadian economy, and I have made reference to this before.

It is important to look at our present aim to see where the changes suggested should occur. The absence of a capital gains tax has probably done more to encourage foreign ownership of Canadian industry than anything else. As a result of this measure, we will have a one-half capital gains tax, which in itself does contain an element of encouragement. For many years we have been in favour of incentives to corporations in the form of dividends, tax credits and other things. In fact, there has been an acceleration in the terms and the amount of foreign ownership in this country. There has been an absolutely miserable policy in respect of corporation tax and our tax system generally to present to Canadian industries. We are now being asked, through the legislation before us, to deal with corporations in a way that will continue the same situation. The present measure no longer continues the 20 per cent tax credit. We are now faced with a 33 per cent tax credit. There is going to be a one-half capital gains tax, but again this will differentiate between one kind of income and another.

This government has been unsuccessful in previous legislation in stopping the sell-out of Canadian industry, and I suggest the legislation now before us will also be ineffective. This is a very serious matter. This country is in danger of losing its entire economy, and I do not think we should encourage a tax system which will contribute to the sell-out of our own industries. We should not exclude foreign ownership from Canada. Foreign ownership can be helpful and there are a number of examples in western Canada which indicate that foreign ownership is advantageous, but we should be selective in this regard. We must exercise some selectivity in respect of applications for foreign ownership and decide which applications might be helpful and which might not. Up to this point we have refused to do so, and we still refuse. Our tax incentives have obviously failed, and our system does not provide the revenue required. To the extent the treasury is depressed, the taxpayers who pay taxes on wages and salaries pay more. The average taxpayer is at the mercy of our tax collector and has little or no opportunity to control the system.

All the arguments put before us in the past regarding the prevention of the sell-out of Canadian industries are now being put to us again. These arguments are no more convincing than they ever were. We have had a chance to examine the background of these arguments and we know what they mean. One of the benefits of having been a member of the committee which examined the white paper on taxation was the privilege of travelling around the country, speaking to a lot of people and learning how they feel about our tax system. One of the most impressive presentations to the committee was made by a chartered accountant and a farmer from British Columbia. I am not sure, but I believe his name was McIvor. I have not had an opportunity to look at it, but it was an impressive brief. When he first made his argument, I believe members of the committee were saying, "Oh no, this man has to be a bit of a kook". However, he was a chartered accountant and could not be dismissed that lightly. He also had been president of the British Columbia association and this made it even more difficult to dismiss him. His performance, and the logic of what he was saying, made it impossible to ignore what he was telling the committee. This man was making the argument, perhaps more effectively than I am at the moment, that our corporation tax has failed to achieve its purpose. He argued for a form of a value added tax in which one would pay for the resources as they were used.

• (5:10 p.m.)

There are two ways we could move. Both of them, in my view, are more desirable and effective than the suggestion before us. Certainly, the government has had sufficient time to examine the alternatives to corporation taxation, rather than following the discredited principles we have before us at this time. One way in which we could have moved is that suggested in the Carter royal commission report, and that is the integration of personal and corporate taxation. The government toyed with the integration idea. The white paper suggested integration with a capital gains tax. The effective integration would have been to remove, to some extent, the present corporate tax structure and replace it with something else. This would have had the great advantage of simplifying the tax system and bringing all sources of income into the tax base because the integration proposal of the royal commission called for a full capital gains tax. The capital gains would have been added to the base and been calculated on that level.

The government's argument, as I understand it, is that full integration at the present level of corporation tax would be too costly, and would deprive the government of the revenue it requires; but that is true only if we leave the corporate tax at the present rate and there is no reason for that. We could have adjusted the corporate tax rate in order that the government could obtain the revenue it would require and have the degree of equity, fairness and simplicity that was available through the integration proposal that was not accepted. The government's ludicrous proposal in the white paper of having half integration has all the problems of a half capital gains tax, as well as the problem of having the whole thing fouled up with two systems running side by side. Also it would fail to obtain the full benefits, if there are any, from the present system as well as fail to get the real benefit from the integration proposal. I do not know why the government brought in the half integration system, unless it was deliberately looking for a way to destroy that proposal, but certainly it came under heavy fire and the government withdrew it.

When one reads the Carter commission report, it emerges quite clearly that the Carter commission, had all industry in Canada been Canadian and had all the owners of industry in Canada been Canadian, probably would have recommend the abolition of the corporation tax and the substitution of a more effective way to tax corporations by taxing the resources they use. The reason this could not be done is that such a system would confer a substantial benefit on the United States treasury and on United States holders of property in Canada. Because we have so much foreign ownership, even an attempt to design our tax system becomes a nightmare. What might be an acceptable and perfectly valid approach becomes unacceptable and we are not able to carry it out because of the high degree of foreign ownership which exists in Canada.

If we should go to a value added tax, and many European countries are now moving in that direction and there has been some discussion in the United States of moving in this direction, there would be a tax on the amount of goods corporations use in the manufacture of whatever they are doing or on the services they provide. This would take care of many of the troubles we have in our tax system. We have had tremendous discussions concerning how we should handle the non-taxable benefits of people who work for corporations or who are self-employed. How should we handle the expenses of the car, the convention, the hotel, the meals these people consume or the entertainment they provide. Every proposal which has been attempted has broken down for one reason or another. I suggest that with a value added tax these things would be of less concern. If they wanted to do more advertising or more entertaining, they would pay for it and it would not be deductible from their future corporate tax. In fact, society is subsidizing all kinds of marginal things. Non-taxable fringe benefits have been subsidized in the past.

At this time, I do not wish to become involved in an extended debate on either the integration system or the value added tax system. First of all, there is not too much time and second, with the exception of the integration proposal, we certainly do not know too much about the value added system at this time. All I am trying to point out is there were alternative approaches which might have been taken to the whole problem of corporation tax, and in the face of the failure of the corporation tax to really accomplish some of the purposes we set out, the government should have seriously discussed these other proposals rather than rejecting them, I think to some extent out of hand, because they did not conform to the traditional pattern. The government, in fact, did not seem to have enough courage to really want to bring about tax reform. It wanted to use the words and talk about tax reform, but there is really no instinct or no commitment on the government side for a genuine tax reform system for Canada.

So, we are continuing with a system of corporation tax that retains some shabby concepts. Under the legislation

we are debating at this moment, it is less important in this country how much a person earns than how he earns it. The wage and salary earner must continue to pay full tax on all his earnings. If a person should be receiving dividends rather than wages and salary, he would pay less tax. If part of those dividends incorporate capital gains, he pays even less tax. If he has dividends from an oil company or a natural resource industry he gets a further break, and so on in our society. This is something to which I personally object a great deal. It is also something to which my party is very much opposed. I refer to this concept of inequal treatment. We think it serves the people in our country very badly. We think it serves the interest of the development of industry very badly, that the corporation tax as we now have it is unfair and is in a large measure responsible for many of the ills and inefficiencies which exist in this country because we have failed to look at its inadequacies.

• (5:20 p.m.)

Mr. Flemming: Mr. Chairman, I am impelled to offer a few remarks concerning this portion of the tax bill owing to the fact that I am anxious to support the suggestion which has been made by the hon. member for Edmonton West, reinforced by the hon. member for Peace River, when they tried to impress upon everyone within sound of their voice the general desirability of passing a portion of this monstrous bill and leaving the controversial and unacceptable parts to future discussion and future examination. In this way, we could ensure that this whole bill, which after all is a matter of great consequence to the Canadian public, would be taken in stages rather than inflicted upon the people in its entirety. So, I rise for the purpose of supporting that argument and I hope it will meet with some consideration by the government.

I am not expert enough in the rules of this House to know whether or not a large bill with as many sections as this one has could be passed subject to proclamation, and then various sections proclaimed when the government decides that it is appropriate to do it. Personally, I see nothing wrong and no reason why that course should not be applicable to this bill. It seems to me to be fair and desirable, if the government wishes to have the whole bill passed, that they introduce as part of the bill a proclamation clause so that the various sections can be proclaimed as it develops that those sections should be proclaimed. I realize that any suggestion coming from over here will not necessarily be treated with tremendous respect, but I hope that this suggestion which has been advanced by the hon. member for Edmonton West and the hon. member for Peace River this afternoon and which, I understand has been advanced also by the Leader of the Opposition,—I hope my friend, the hon. member for Hamilton West will not take me to task when I say this—will meet with favourable consideration by the government.

In the white paper proposals there were certain suggestions regarding corporate taxation. I do not wish to go into the details of what took place at the various hearings which the committee held, sometimes in the east and sometimes in the west of Canada, but it has been suggested that they took these proposals to the people for the purpose of securing their opinion. I might say, as a member of that committee, that I never saw or heard tell

of any proposals which received as much opposition as did the white paper proposals almost in their entirety. So, if the government learned anything from the hearings which were held by the committee, surely they must have been impressed with the fact that in general terms the proposals were undesirable and unacceptable to the majority of the people of Canada.

I happen to think that the government is wrong in its approach to the whole question. I have said before, and I repeat it because I think it bears repeating, that they could have accomplished the changes that they wished to accomplish by amending the statutes which have been in existence in connection with taxation ever since the inception of parliament, and certainly those in connection with income tax dating back to 1917. There is no reason the government could not have taken what is acceptable to them and then added or taken away from that as it suited them. We would then not have had such a complex and difficult bill to understand. I am not the only one who says that it is difficult to understand. We have had chartered accountants and lawyers who said that they were bewildered by it and were unable to digest it.

So, I submit that the nearest approach to retaining something that is good in the present statute would be for the government to carefully consider the addition of a proclamation clause to the bill, following which it would proclaim from time to time certain sections as the staff and the general public seem to understand them and as they appear to receive that degree of acceptance which would be necessary.

The white paper proposals were examined by the committee under the very capable chairmanship of the parliamentary secretary who is piloting the bill this afternoon. I say to you, Mr. Chairman, that he handled those hearings in a most distinguished way and brought great credit to himself and to the government. I am glad to see him occupying the position he does here this afternoon in piloting this bill. I think that he is more likely to accept some of our proposals than is the other parliamentary secretary who was here last week, at least I hope that is the case, Mr. Chairman. On June 18, in his budget speech, the Minister of Finance modified the proposals in the white paper. He acknowledged that the proposals were unacceptable, not only to the business community but also to a number of provinces. As a result, the government decided to modify the existing system for taxing corporate income rather than introduce a comprehensive new system.

Then, as you know, within the last month or so the government has decided to accept the recommendation that has been advanced from this side of the House on a good many different occasions that they stimulate employment by a reduction of taxation. In other words, what the government acknowledges is that they are willing by a reduction of taxation to encourage private business to employ at least a portion of the people who are presently unemployed. That is what the minister said in his speech. As a consequence, the corporate tax has been reduced by 7 per cent of the amount payable. I hope that the parliamentary secretary will digest this. When the government accepts the proposal that it is going to take 7 per cent of the corporate tax as a means of stimulating employment and the economy, surely that means that

when they changed the tax laws, thus increasing taxation, they must have been wrong. I do not criticize them for this reduction as I think it was necessary and I am sure every member of this House hopes and expects that some benefit will result.

• (5:30 p.m.)

I turn now to the 20 per cent dividend tax credit that is being replaced by 33 1/3 per cent. I do not propose to go into that matter in detail because it is rather complicated. I cannot follow the argument that to increase the dividend tax credit will not stimulate the ownership of companies by Canadians. I cannot see how it could fail to have that effect.

I should like to speak now about small corporations with annual incomes of up to $50,000. Under the present act the rate is 21 per cent on income up to $35,000, and under the proposed legislation it starts at 25 per cent but the amount on which that would apply is raised to $50,000. As an alternative to the present lower rate of corporate tax on the first $35,000 of income the government has introduced a small business credit to be available only to Canadian-controlled private corporations. This restriction excludes from the eligible group any private corporation controlled in any manner whatsoever by non-resident persons or by some combination of non-resident persons and Canadian public corporations.

The credit is applied to reduce the federal corporate tax and is computed initially at 25 per cent on no more than $50,000 of business income of each taxation year. The rate of credit is to be decreased concurrently with the decrease in the general corporate tax rate to 24 per cent in 1973, and by a further one percentage point per year until it reaches 21 per cent in 1976. Corporations may continue to claim the credit until such time as they have accumulated and retained $400,000 of earnings.

Since the credit is to be granted at the corporate level it has been found necessary to retain the present detailed associated company provisions, with minor modifications, and the present provision for ministerial discretion in order to restrict the amount of benefits which might be claimed. Both the $50,000 annual limit and the $400,000 retention limit must be allocated annually amongst companies which form an associated group.

I believe that a degree of foreign ownership is beneficial. I believe if you have participation in the management of a company and it brings with it the research it has established as being desirable, and the experience of its operation, it tends to distribute more jobs. I think Canadians should try to emulate this sort of thing and learn from it. Foreign ownership does not necessarily mean ownership within the United States of America. In my province there are companies controlled by the British and some by the French, and in every case they bring ideas to the country. To say that all investment of foreigners should be kept out is ridiculous and I do not subscribe to any such doctrine.

To my certain knowledge there are companies that have been doing business in Canada for 25, 30 or perhaps even 50 years and have acted as good corporate citizens. If they have established a reputation and have conducted their business in accordance with the laws of Canada, then to say that they cannot receive a particular tax benefit seems to me to be rank discrimination. I repeat, these companies have established a reputation for living within the laws of Canada, being good, law-abiding citizens, paying their people well and abiding by the labour laws of the country.

I want also to speak about the total business limit of $400,000. That is what they will be allowed—

Mr. Lambert (Edmonton West): That is taxable income.

Mr. Flemming: That is right. What will probably happen is that they will be able to use the benefits of the lower tax rate for expansion and to make themselves more efficient, and at the end of the period they will be prevented from selling it even to one of those good corporate companies which I mentioned earlier. By being obliged to retain it, they will not have the liquid funds to carry on because they have been put back into equipment and general improvements in the plant. It seems to me that some consideration might be given to the question of corporate taxation as it applies to companies with a long record of satisfactory performance in accordance with the laws of this country.

If the government in its wisdom, or lack of it, decides that in future things will be changed and there will be no foreign ownership of business in Canada, that is their right. But they should at least present it to this Parliament and the people of Canada for approval. It is my opinion that the people of Canada will not approve it. It is my opinion that the government will go out of business on that issue. If they want to do it in the future, possibly there is some justification. But I submit, Mr. Chairman, that we cannot say to corporate citizens who have had satisfactory business relations and who have contributed to the building of flourishing communities, "You are no longer welcome in Canada and you must get out". I do not think the people will support that kind of attitude and will say to the government, "You are the ones who should get out."

• (5:40 p.m.)

That is my contribution relative to the small business provision. I know something about small business. I know something about frozen assets, about small businesses not having ample funds and not having a great deal of liquidity. Nevertheless, small business is helped a good deal by government taxation policies. Compared with taxes which large corporations pay, the tax rates of small businesses are somewhat favourable. The government reduced corporate taxes by 7 per cent in 1971 with the idea of stimulating business. I believe in that policy and I hope, as I am sure we all do, that it will bring benefits and improve employment and the general economic situation of the country.

We must bear in mind that developments taking place from day to day may affect some of the things that governments can do. I do not pretend to be an expert on oil and gas. The other day the National Energy Board decided that we did not have a sufficient surplus of natural gas for additional export and that we should not export more than had already been approved. I am sure we all recognize that the National Energy Board comprises a group of men who are anxious to do a good job and perform a worth-while service for the country.

Nevertheless, I submit, Mr. Chairman, through you to the parliamentary secretary that since there is a demand for this product, since our neighbours to the south want it, it would be the essence of common sense for the government to say to those exploring for oil and gas, "Not only will we make the tax laws applying to you beneficial; we will make them even more beneficial than they have been." It seems to me that you will not get people to risk their money for holes to be dug in the ground in search of oil and gas unless there is a reasonable prospect that at some point they may receive some benefit from the venture. After all, they will drill many dry holes in the process.

The government, I submit, should be encouraging exploration because a market for gas has been established. I have found that when there is a demand for a product, people do their best to produce it and meet the demand. When there is demand, people will always attempt to fill it. The government, however, will not acquire for this country additional supplies of oil and gas if it imposes taxes so onerous that people will not undertake the risks associated with the finding of those products.

My time has almost expired. I urge the parliamentary secretary to note what has been said about small business. There is one more thing I want to say. If an owner should dispose of a small business, what would be the difference to him if he were to dispose of it to a Canadian owner as opposed to a foreign owner? It seems to me that someone should rise and in simple language tell the members of the committee just what is the position of the owner of a small business and what he can do in this regard. I realize that some may say, "Why do you not read the bill?" I much prefer to hear an expert who is familiar with the bill and has studied it explain to the committee what he has discovered. I hope that before long we will receive in this committee a simple explanation. How will the owner of a small business be affected if he sells his business to Canadians or if he sells it to foreign owners? What will be the difference to him?

I come back to my first observation. I do not understand why the proclamation provision should not apply to the entire bill. It could be proclaimed if the government, after it has discussed the matter in this chamber, feels it is desirable to do so in the interests of the people of Canada.

Mr. Lambert (Edmonton West): Mr. Chairman, in resuming the discussion on section 125 dealing with small business may I say that the committee should know that under section 125(2) the maximum deduction in any one year is, as has been mentioned many times, $50,000. There will be a $12,500 deduction in 1972, reducing to $10,500 in 1976 and subsequent years. However, that is but one opinion. The truth of the last observation depends upon the correctness of the interpretation—and I trust the parliamentary secretary will speak about this—which the hon. member for Vegreville and I made regarding where the deductions apply to the 25 per cent figure referred to in section 125(1).

The $50,000 is a corporation's business limit. Those words come right out of the legislation. Also, the hon. member for Carleton-Charlotte made the point that once a company has reached the level of $400,000 of taxable income—and it need not have reached it at the rate of $50,000 a year for eight years, because the corporation could have made $100,000 in one year—the total or, shall we say, maximum qualification is exhausted.

Here we have a total business limit minus a cumulative deduction account operating at the end of the immediately preceding year. Mr. Chairman, total business limit and cumulative deduction account are two brand new terms which have been introduced into the Income Tax Act, and neither the departmental officials nor the professionals have been able to settle on the items that go to making up these so-called totals. Unless one can get an absolutely clear appreciation of these terms it will be impossible to determine what is the result of the business operation for the year. I think the Minister of Finance gave the impression, as did some people talking about the provisions affecting small business as disclosed in June, that the government was being very generous to small business. Frankly, that is absolutely the reverse of the truth.

• (5:50 p.m.)

First, $35,000 has been eroded by inflation and the devaluation of the dollar. The net result is that it is much easier to get to $35,000 and then go to the higher rate. The government is the beneficiary of this progression from the lower to the higher tier. Actually, the so-called low rate as a small business incentive is considerably less attractive than the former one. The annual taxable income is less than $35,000.

In an extreme situation, an otherwise qualified corporation that earned taxable income of $400,000 in the first year of the new system and paid no dividends would be eligible for a $50,000 small business deduction in that year but no subsequent deduction. A corporation accumulating taxable income would only be eligible for the small business deduction on its income each year until its taxable income totalled $400,000. It would then cease to qualify for the small business deduction. You have to contrast this with the present system whereby the low rate on the first $35,000 applies indefinitely.

It will be noted that taxable income is an important factor in the cumulative deduction account, so the $400,000 maximum amount will be net in respect of business losses but will include non-business income and capital gains. We note that in other areas the low rate cannot apply to non-business income or non-domestic income, yet the accumulation of $400,000 of taxable income will include non-business income and non-Canadian income. Therefore, small business is doubly hit.

Surely, equity suggests that if the company is to be taken out of the category of small business by having reached the $400,000 ceiling, this should apply only to the total income which qualifies for the lower rate. In other words, active businesses earning Canadian income are the only ones that qualify for the lower rate. Justice says the $400,000 ceiling should apply to the total of that type of income and not bring in all the others which now qualify for the lower rate and on which the government, under the act, will exact a 50 per cent rate or whatever will be the appropriate rate by 1976.

Let us look at ineligible investments under sections 188 and 189. Further complexities arise where ineligible investments are made; for example, where a corporation

uses excess funds to purchase portfolio securities rather than to pay dividends or to expand the business. This is quite the thing. All sorts of businesses must have reserves set aside for a rainy day. Management would be most imprudent if having some spare cash it did not pay dividends which would attract taxation or did not engage in unwanted or unneeded business expansion, if it did not put it aside in securities investments lasting longer than a year. However, those are ineligible investments and the returns thereon will be taxed as non-business income. On one hand, it will push the total income toward the $400,000 ceiling but they have to deduct it from the otherwise income of the company in order to qualify for the lower rate.

Ineligible investments under the bill are defined as being all property acquired after 1971 that are not used to produce income from an active business. However, excluded from the term ineligible investments are bank deposits and bonds. I presume government bonds will qualify as eligible investments because they are government bonds. However, if they are bonds, for example, of some electric utility company they would become passive income not in the ordinary course of business and therefore would be disqualified.

The Chairman: Order, please. It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order. When the committee rose at six o'clock the hon. member for Edmonton West had the floor on sections 82 to 85, 89, 112, 121 to 125, 129, 143 and 181 to 197.

Mr. Lambert (Edmonton West): Before the dinner hour I was discussing the effect of sections 188 and 189 on ineligible investments. I think the dinner hour came at a fortunate moment because I had the impression I was treading on shaky ground in arriving at my definition as to what might be eligible investments. When I said that government bonds might qualify but not those of an electric utility I found I was not completely right. Neither would qualify if the maturity of the issue exceeded one year.

I find it extraordinary that a company having funds in excess of its day to day working capital requirements should encounter such a restriction. The size of the reserves might still be well within the sum necessary for the prudent and efficient management of the company's affairs, yet the only thing it is permitted to do with this money is keep it on deposit with a chartered bank or a trust company or buy short-term issues. On no account must companies invest in anything which reaches maturity after one year. So, for example, investment in long-term bonds, which the government has a great desire to encourage, is forbidden. Let us consider which ones are eligible.

any bond, debenture, mortgage, hypothec, note or other similar obligation

(A) of or guaranteed by the government of Canada,

(B) of the government of a province or an agent thereof,

(C) of a municipality in Canada or a municipal or public body performing a function of government in Canada,

(D) of a corporation, commission or association not less than 90 per cent of the shares or capital of which is owned by Her Majesty in right of a province or by a Canadian municipality, or of a subsidiary wholly-owned corporation—

Strangely enough, companies cannot invest, in these circumstances, in any obligations, even the Canada Development Corporation. One of the bright stars which is very much in the government's eye at the present time is on a muted note. It blows its trumpet about projecting some life into that otherwise moribund body. I would have bet last June that this was to be a non-starter. I still think it will be a non-starter, nothwithstanding the fact that some people have got together to form the board. In any event, the obligations of the Canada Development Corporation do not qualify under this particular section. All investments are required to be subject to the one principal requirement that they mature not later than one year after the date of issue of the obligation.

• (8:10 p.m.)

Then there are a number of other ways whereby money can be invested, but I am surprised this limitation has been put on this sort of investment. I should like to know what is the difference between interest on a treasury note and that on a Dominion of Canada medium-term bond. Perhaps the parliamentary secretary can tell the committee why this disabling restriction was applied at this particular point.

Where there is an ineligible investment, a special tax will be levied equal to 25 per cent of twice the cost of the investment or 25 per cent of the corporation's—this is another new term—"preferred rate amount" minus the net amount on which it has previously paid tax under this provision. The definition of "preferred rate amount" in section 189(4)(c) once again is complex, but normally it would be amounts on which the corporation had previously claimed the small business deduction minus an allowance for dividends paid. I apologize for the language, but this is pure Greek. Then there is a comment which reads as follows:

Perhaps an indication of the complexity of some of these terms, their computation and their inter-relationship is the fact that the bill as drafted appears to extend eligibility for the small business deduction by the simple expedient of making ineligible investments and subsequently disposing of them. This unintended benefit will obviously be removed prior to enactment into law.

It will be very interesting to see how quickly the appropriate amendment will be made if this is something that has winnowed its way through the gate and escaped attention. Business might have been able to do something about it on an interim basis, but as long as you qualify by certain dates you will be all right. The comment continues:

The thrust of the intended procedure is to ensure that the 25 per cent small business deduction is available only where the funds are used to expand the business or have been brought to personal tax by dividend distribution. The corporation can no longer be used to shelter excess funds from personal tax unless the excess

funds are invested in short-term paper or bank accounts. This exception will be relatively unattractive.

For the life of me I cannot understand the treasury's or the government's preoccupation with excess funds that are ultimately going to come to the government anyway in the form of tax but which in the interval are going to be put to work either in government obligations or in obligations in some other concern. They are invested and are a reserve against unforeseen eventualities. They are part of an accumulation used for expansion, not this year but next year or the year after.

I want to be as charitable as possible, but this is not the first time I have run across this sort of thing. When dealing with Treasury years ago I came across the idea that once a dollar has been made, the Crown had the right to take its share at once. Since when has it had that right? What God-given right has the Crown to say that as soon as $1 is earned by business, the Crown gets its share; that the Crown must exact its pound of flesh? It will ultimately get its share, but straight away envious eyes are cast on those dollars.

As a matter of fact, that was the motivation behind the proposal in the white paper for the work accomplished accrual basis. As soon as the work had been completed, presumably the dollars had been earned and the Crown was entitled to its share. I have heard the Minister of Finance himself say that the Crown had the right to its money. Nothing could be further from the truth, yet at this particular juncture we have another example of this philosophy.

The two-tier system of tax assessment was inserted into the legislation precisely to assist small business to accumulate capital for expansion purposes, so that small business did not have to pay out dividends that would be subject to tax, that it would not have to spend money immediately in the year in which it was earned. It was allowed to accumulate capital since other avenues of financing were not open to small business.

I have heard Liberal Ministers of Finance expound on this theory of what they were doing for small business. The two-tier system was introduced by a Liberal administration, and I use a capital "L". Then it was expanded by Hon. Donald Fleming when he was Minister of Finance so that small business was able to accumulate capital for expansion purposes. Now we have the present administration acting on God knows what philosophy of taxation. From cover to cover of this blue-covered book there are disincentives, and this is one of them. As I say, this money will come to the Crown in due course. The fact that it is invested, that it is earning income, that it is going to produce a substantial expansion of business or that it may be paid out as dividends where it will attract its full share of taxation, matters not; there will be a disincentive at this particular point. This is one of the more regrettable features.

As chairman of the committee on finance, the parliamentary secretary will recall that when we put together our recommendations we thought there would be something akin to the two-tier system to help small business, which quite frankly is having one hell of a time competing not only nationally but internationally. I would ask the committee to reject section 125 and section 189.

[Mr. Lambert (Edmonton West).]

Mr. Ritchie: Mr. Chairman, the original purpose of the reduced rate—the two-tier system for small business—was to allow small business to accumulate capital in larger amount than corporations. The original thought was that small business had a distinct disadvantage when it came to procuring money to assist business expansion compared with larger corporations. Indeed, I do not think there is any doubt that that was the case. The problem arises here of so-called equity of taxation. If one company for various reasons can procure capital to expand its operations faster than some other company as a result of its size or its situation, then equity of taxation becomes difficult to accomplish.

During the hearings on the white paper on taxation many representations were made in regard to the small business deduction. No one that I am aware of felt that the premise of a two-tier system for taxation of companies was not a valid one. Large companies who felt no need for this system agreed that a strong business sector made up of small corporations was valuable to the country. There was no argument that the small company receiving taxation benefits that would not aid in the growth of the country and would not aid in increasing the economic status of our industry. In the proposals in Bill C-259 it is obvious the government has retreated a great deal from the idea of a two-tier system. It has so hedged the act that the benefit will not be really as great as it has been. I think this is unfortunate.

• (8:20 p.m.)

Wherever one goes in this country one finds that representatives of small business companies say it is becoming more difficult for them because the tax structure, the various actions of our government and the happenings in the market place seem to be placing small business at a disadvantage. Yet at this time the government has chosen to increase the disadvantages which were present in the old act. I believe this is regrettable because in the last few weeks, by the action of the U.S. through its surcharge and DISC proposals and because of the European Common Market, we face a general darkening of the trade outlook. A country such as Canada, with its scattered and small population, needs the ingenuity and entrepreneurship of our very important individual Canadians in order to provide the jobs that are so necessary for our expanding labour force of the seventies.

I view with considerable regret the action of the government in respect of the taxation of small business. I should like to discuss the small business deduction. Generally speaking, the proposal is that the taxable income of all corporations will generally be subject to a single federal corporate tax rate, which for 1972 will be 50 per cent and which will be reduced, starting in 1973, by one percentage point a year to a rate of 46 per cent in 1976 and subsequent taxation years. What will happen next year applicable to small business is something I do not believe the minister has pointed out, in view of the fact that it is to be a 7 per cent reduction for the year 1972 in corporation tax.

The special rules will apply to Canadian-controlled private corporations as defined in Bill C-259, section 125(6)(a). All resident private Canadian corporations that are not controlled either by non-residents, public corporations or a combination of both, will qualify for a special

incentive. The incentive will take the form of a deduction from the company's tax otherwise payable—section 125(1). The deduction will be computed at the rate of 25 per cent for 1972, reducing by one percentage point a year commencing in 1973 to a rate of 21 per cent for 1976 and subsequent taxation years, of the least of, first, the company's taxable income from an active business for the then current year—section 125(1)(w)—and, second, the company's business limit for the year, business limit being defined as $50,000—section 125(1)(c) and section 125(2)(a).

Then there is the difference between the company's cumulative deduction account and its total business limit, a total business limit being defined as $400,000—section 125(1)(d) and section 125(2)(b). Then, again, the amount by which the company's total taxable income for the year exceeds an amount calculated under a formula with respect to foreign taxes paid by it—section 125(1)(b). The cumulative deduction account of a company is defined by section 125(6)(b) as the aggregate of its post-1971 taxable income plus four-thirds of certain taxable dividends received, less certain deductions. Taxable income includes all income from active business, investments, dividends, capital gains or otherwise, less applicable losses.

The cumulative deduction can be reduced by the company paying dividends to its shareholders—section 125(6)(b)—and in addition there are complex rules which allow the company to deduct its outstanding refundable tax in respect of ineligible investments and its dividend refund under section 129. Because the amount of the deduction is to be reduced concurrently with the reduction of the general corporate rate, the effect will be to maintain an effective rate of tax of 25 per cent payable by a corporation which qualifies for the small business deduction.

Since the total business limit is based on the company's aggregate total taxable income, dividend payments used to reduce the amount of the total business limit must be calculated on a comparable basis and, therefore, four-thirds of all dividends paid are to be deducted from the company's total taxable income—section 125(6)(b)(iii). This calculation takes into account the grossing-up of the dividend by the taxpayer when he computes his personal income tax.

Turning now to capital losses, a corporation's business limit and cumulative deduction account are the main criteria on which the small business incentive provisions are based. The cumulative deduction account requires the calculation of a corporation's aggregate taxable income for the relevant period of time. In calculating taxable income no account is taken of capital losses except to the extent they reduce capital gains. We submit that for the sole purpose of determining entitlement to the small business incentive a corporation's capital losses should be taken into consideration, since these losses will probably be reflected in an impaired working capital position. The company will be less able to grow and will run the added risk of exceeding its business limit and total business limit at the time when it can least afford to lose the incentive tax reduction.

What about the total business limit? The small business incentive provision places pressure on the shareholders of a company to draw out the reserves of the company as it nears the $400,000 level. The government's aim, as stated at page 39 of the Summary of 1971 Tax Reform Legislation, is the following:

> The main objective of continuing the incentive is to provide private corporations with funds for use in their business.

If that is the aim, why should small business be forced to pay out money by way of dividends that it requires for working capital, even though the recipients of these dividends could loan them back to the company and replace at least part of the working capital? It must also be remembered that the payment of dividends will, generally speaking, result in tax being paid by the recipient, so that the full amount of the dividend will not be available to be reinvested in the company.

We believe that in order to preserve the government's aim as stated above, the incentive provisions should not contain the limit of $400,000 on the aggregate of taxable incomes but they should be based on annual active business profits with the $50,000 annual limit on those profits. Otherwise, the small business will be forced to pay out its working capital as it approaches the $400,000 level. The concept of cumulative deduction account, on which the incentive provisions are based, is concerned with taxable income upon which tax has been or is about to be levied. Therefore, a particular company's cumulative deduction account must be reduced by 25 per cent—the amount of the exigible tax—in order to arrive at what is available to the company for working capital purposes. Thus, the total business limit represents only $300,000, rather than $400,000 of working capital reinvested in the company, assuming only business income.

• (8:30 p.m.)

Turning to the matter of dividends, curiously enough it may be more expensive for the shareholder of a small business to take the dividend than to leave it in the company. At page 9 of the summary it is stated:

> The 33 per cent reformed dividend tax credit completely offsets a corporate rate tax of 25 per cent.

The summary says that if a company which is eligible for the small business incentive pays out all its after-tax income as dividends to its shareholders, the effect would be that all of the company's earnings would be taxed at the marginal rates of its shareholders. However, this is based upon the shareholders receiving the entire amount of the tax dividend credit already added to their income for grossing-up purposes.

Under the bill, the shareholder is only entitled to deduct four-fifths of the amount grossed up from his taxable income under section 121. The extra deduction of the extra one-fifth is dependent on the provinces. Thus, when on page 36 of the summary the table in column 1 discloses a situation where a shareholder taxable at the 25 per cent level would pay no further tax over the amount paid by the company, this is dependent on the province of his residence having accorded him a similar tax credit. If there is no such credit, the extra tax payable by the recipient of the dividend would be $20. Even if there is a full 100 per cent tax credit, the proposal for crediting of dividends will result in more tax being paid in the short run than if working capital had been retained to enable the company to grow.

There would appear to be a further anomaly in the suggestion that companies will be allowed to reduce their total business limit by the amount of dividends paid to their shareholders. The payment of dividends presupposes that the company has cash on hand or cash otherwise readily available to it for this purpose. This would be cash not otherwise required for business purposes. But the purpose of the incentive is to allow the company to grow, presumably by plowing back its earnings. Therefore, the company which has surplus cash which it can use for the payment of dividends will be in a position to retain the small business incentive for a longer period of time than a company earning the same before-tax business income but requiring all its cash for business purposes.

We recognize that the payment of dividends by a company eligible for the small business deduction will often result in the payment of tax by the recipient of the dividend so that the total tax on the dividend will be at the personal rate of the recipient shareholder, but the combined effect of the two tax bites will usually be less than the top rate of corporate tax, even when this has been reduced to 46 per cent. This will result in the decision to pay dividends and keep the total business limit below $400,000 rather than to reinvest the earnings in the company and pay the top corporate tax rate thereon. This is not consistent with the intention of the small business incentive provisions, although it would appear to be consistent with the scheme of the small business shareholder treatment to tax corporate earnings at the rate of the individual shareholder.

I should like to speak now of associated corporations. In order to prevent the proliferation of companies for the purpose of the small business incentive, the bill perpetuates the concept of associated corporations under section 125 (3) and (4). The rules are similar to those under the present act but it does mean that associated corporations will allocate the $50,000 business limit among the members of their group and the $400,000 total business limit will be determined for the group as a whole.

There is an apparent paradox here. It is of interest to note that with the effective corporate tax rate being increased to 25 per cent from the present federal rate of 21 per cent, companies now earning no more than $35,000 per year will pay more tax than at present, while companies now earning between $35,000 and $50,000 per year will pay less tax. It hardly appears equitable for the very small business company to have to pay more tax while at the same time a relatively large corporation will receive a tax deduction.

So I think the government has gone a long way toward nullifying the effect of the small business incentive provision for the company earning below $35,000. Whereas under the old system that company had the advantage of 29 per cent as opposed to large corporations, under the new legislation it would be much less, the difference between 25 per cent and 46 per cent as opposed to 21 per cent, so that the reduction is by one-third. This comes at a time when we say that we should be giving small businesses aid.

What are the incentive restrictions? When a company which was receiving the small business incentive reduction becomes a foreign-controlled corporation, it will be required to pay any tax savings previously received under the incentive. These are to be repayable over a five-year period. This will certainly impede foreign takeovers of small businesses. I believe that the repayment requirement constitutes an undue hardship and penalty. If the reason for the deduction was to help the company to grow, then in our submission all that should occur is that when a company becomes foreign controlled it should no longer be eligible for the deduction.

The new, foreign shareholders would not receive the benefit of the incentive except that perhaps the company's surplus on hand might be larger than if it had paid the regular rate of corporate tax. However, if all of the surplus had been paid out by way of dividends to the old shareholders, the new shareholders would not be receiving any benefit from corporate surplus on hand.

If two companies that are eligible for the small business incentive become associated or amalgamate with each other, and if as a result of the amalgamation their combined cumulative taxable income exceeds $400,000, they will not have to repay the amount of the incentive they have respectively enjoyed but the benefits of the incentive will no longer be available to the new company, nor is repayment of the incentive required if the company becomes a public company but, of course, the low rate will no longer be available to it.

What are the investment restrictions? Ineligible investments are defined as every conceivable type of investment except cash, certain bonds and short-term notes. These investment restrictions are much too narrow and should be expanded to include all reasonably short-term and liquid investments. If the small business incentive has as its purpose to allow companies to grow, it should be given to those who cannot easily raise money on the market. Surely these companies should be allowed to have a reasonable reserve on hand to expand their business.

After all, companies cannot each year expand their business by a specified amount. It must come in fits and starts, and it would be reasonable if moneys were allowed to be accumulated at the incentive rate so that when an opportunity presents itself the company can make an expansion which would be reasonable for it. Companies should be able to have a reasonable reserve on hand not being immediately used for business purposes, and this reserve should be allowed to be invested properly without tax penalty or disadvantage.

To those who have studied the bill, such as accountants and so on, one of the major technical problems with the general small business incentive proposal would appear to be the substantially increased requirement for record keeping.

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but the time allowed to him has expired unless he receives unanimous consent of the committee to continue. Is there such consent?

Some hon. Members: Agreed.

Mr. Ritchie: Thank you, Mr. Chairman. I shall shortly complete my remarks. As I was saying, one of the criticisms is that there would be a substantially increased requirement for record keeping. This is a criticism which in my opinion may fairly be applied to all the proposals as

they affect both individual and corporate taxpayers. But the major burden would appear to fall upon the corporation. The incentive proposals as contemplated will greatly add to the increase in paperwork. This is for corporations that will not have the back-up ability to easily take care of it. We all realize that it costs money to take care of the paperwork. I would respectfully suggest that the proposals should be carefully re-examined in order to attempt to reduce the bookkeeping.

• (8:40 p.m.)

Is the establishment of a total business limit really necessary, or could the simple business limit test work effectively in conjunction with adequate policing safeguards such as the active business test? In my view, these questions should be answered before the proposals are enacted into law.

Mr. Saltsman: Mr. Chairman, listening to the debate I hoped that I might hear something about how these business incentives relate to the well-being of our society, how they relate to the wage and salary earners of our society—but I have not heard much along that line. At the risk of being rude I raise this question: What happens to the majority of people in our society who are not eligible for these special grants?

It is my understanding that something under 100,000 people in Canada would be eligible for the special tax treatment outlined under the small business grants. What happens to the others? The simple fact is that the change the government has made from the original white paper to the present proposals means that $315 million more every single year will be available as a result of the changes. In the original white paper proposals and on many other occasions the Minister of Finance stated that this particular change, the change away from the split rate on corporations, would raise government revenues by $400 million a year. The projection is that if it is based on 1968 incomes the government would increase its revenue by $75 million, and if it is based on 1972 incomes the revenue would be increased by $85 million. Deduct that figure from the projected increase that they stated initially, of $400 million and you get $315 million.

All of us here are sympathetic to the problems of small business. Some of us have been in business and know that the small business needs assistance in getting off the ground. I have no reluctance in seeing such assistance provided. I am sure all hon. members would agree with that statement. But the real question that arises is, what we are suggesting is necessary for all small businesses, and is this the best way of proceeding with assistance?

It is the scatter-gun approach, still the old approach. The tax rate has been changed, allowable ceilings have been changed, but it is the old story—if you spread it around some of it is bound to do some good. If only a small amount of money was involved, perhaps there would be some kind of justification. But when you are asking the wage and salary earners of this country to pay something like $400 million a year on the offchance that it will provide a positive stimulus to some business, I think a much better system is required.

The Carter commission suggested that the split rate on corporations, the differential between the two kinds of corporations, be abolished and that instead a more positive way of assisting small business be sought. The Commons committee that examined the white paper proposals and the various other tax proposals which came before it had great difficulty trying to find an acceptable formula that would reduce the cost to the treasury, reduce the burden on the wage and salary earners and at the same time find an appropriate way of assisting small business. I am sorry that the committee and the government failed to find an answer and now have to return to the old system and the scatter-gun approach.

What is the difference? There are some differences between the present proposals and the old system. The chief difference is that the larger corporations, eligible for the preferred rate under the split rate, will not get it because if their profits exceed $50,000 they are out of the picture. Previously, the legislation applied to the first $35,000 profit of all corporations. That is an understandable and acceptable method. In my view there is still considerable evidence that most of the money that will be handed out in this way will not be used for expansion or increasing efficiency of business but will simply be a bonus to some of the self-employed in this country.

Mr. Chairman, I should like to paraphrase some of the submissions made to us in the maritime provinces during the hearings on the white paper on tax reform. If anybody wants a more definitive picture I will be glad to find the relevant portion in the committee minutes so that he can examine it himself. On one occasion a group of maritime businessmen appeared before the committee and argued very positively the need to maintain the system in its present form, saying there was an imperative need for small business to continue receiving the preferential tax treatment because, after all—and it is a very compelling argument for those of us from central Canada—they are very short of capital in the Maritimes and this is an extra reason why entrepreneurs there should be entitled to this kind of tax break.

Of course I am sympathetic, except that there are a number of flaws in that argument. One is that most of these people were investing their money outside the Maritimes and another is that most of their businesses had not expanded in years and the extra tax savings went for purposes other than business expansion. This does not apply just to the Maritimes, of course, Mr. Chairman; it applies all across the country except that it is a more poignant argument in that part of the country.

In fact, the savings have not been used to develop business as was intended. On the contrary, I think if we wanted to look at the argument very closely we could see that by providing these incentives to businesses that do not require them—I want to differentiate between businesses genuinely in need and deserving of the consideration of this House and the taxpayers of Canada—many businesses have not expanded and have no trouble getting the money they require for their operations, yet they are getting this tax benefit.

This leads to an accumulation of surplus and makes things difficult because they cannot get it out of the business. They have all kinds of profits accumulated and if they try to get it out it will be subject to marginal tax rates. Therefore, there are all sorts of shenanigans of income stripping, splitting up of companies and such tech-

niques. Some companies are likely to say, "We have to use up this surplus we have acquired at the differential tax rate, so why don't we pad the others a little?" What was supposed to be a spur to efficiency turns out to be simply a nice, fat cushion to pad them for a number of years, encouraging inefficiency.

While the objective of assisting small business is worthy and one which I think we should be pursuing, in my view the way we have approached it is all wrong. It has been costly and has had the opposite effect of what was intended. I think the proposals should be scrapped; they are the same kind of approach with, admittedly, a different mechanism. By introducing this new legislation the government thinks it has closed all the loopholes.

• (8:50 p.m.)

Even the most sanguine people in the government—I am speaking not only of those in the political part of the government but of those who are government advisers and tell the government how things should be done—will know that from here on in that surplus of up to $400 million for small business will be an irresistible lure for anyone looking for ways in which to advise people to get out of paying certain taxes. Periodically they will come to us and say, "This has become a hopeless mess. Let us take this provision out because people have found a way of working around it. Let us take it out and replace it with a preferential tax rate of 15 per cent, say."

They will say that because the tax system will not have worked as we all thought it would work. How often have we gone through this in the House merely because the tax system had not worked as we thought it would. The accumulated surpluses will work against efficiency in the management of business operations. We have been forced to admit that our legislation has been a failure and we have said, "Let us clean up this thing. Let them take it out at a rate of tax below what it would normally be and start all over again."

We are starting on the same path that got us into this trouble before. I think this is important and we must be careful about what we are doing. If you start out to help, but then go the opposite way, what you will be doing in some cases will be worse than useless. This, to me, appears to be the situation at the moment regarding this section concerning the corporate program. I am suggesting, Mr. Chairman, that the wage and salary earners of this country are being asked to pay $400 million more in taxes than they would normally be required to pay under existing legislation.

Actually, in this case, I think the figure should be reduced to $300 million. That is still a very substantial amount to take from the wage and salary earners of this country for a program that will not be effective or that will be only marginally effective and will lead to all kinds of new difficulties in the taxation of corporations in this country. Also, it will further remove the real possibility of providing a much better level of assistance to small business than is contemplated in the program before us.

Mr. Lambert (Edmonton West): Mr. Chairman, sometimes when we get involved in debates like this our hopes sink very low. Our spirits may sink. However, after listening to the hon. member for Waterloo, I am always brought back, shall we say, to the realities of what makes this economy tick. The hon. member is a charming fellow; you could not ask for better. But I do not know where he learned his economics, I do not know where he learned his principles of taxation, and I do not know whether at times he is paying lip service to the doctrinaire stands of his party or is coming out with some new theories.

[Mr. Saltsman.]

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): I hope the hon. member will stay. I am not going to castigate him.

Mr. Saltsman: I want to improve my knowledge of economics.

Mr. Lambert (Edmonton West): I think I heard the hon. gentleman say that there are certain programs, not necessarily those contained in this tax bill, which hold out an incentive or a particular inducement to small businesses. According to the hon. gentleman, some economist—he remains nameless because I do not think he can substantiate this—says that this will cost the country $400 million per annum.

Mr. Saltsman: It was not an economist. The Minister of Finance said that.

Mr. Lambert (Edmonton West): I do not know who said it, but that is the most unadulterated tripe that could be peddled by anyone. That statement regarding the $400 million presupposes that there is that amount taken out of the stream of economic activity and somehow buried, secreted, burned or wasted somewhere else. Of course, that is not so at all. To the extent that such incentives to small business provide jobs and provide the scope for advancing or expansion, if the impact of tax does not bring about a passing on of an increase in prices then the whole national economy gains, and particularly those people that the hon. member is ever wont to come to the defence of, the people who are not engaged in business on their own behalf.

Let us look at the $400 million that the hon. member says will be the cost of such a program of incentives to small business through the two-tier system, or whatever one may want to call it. Surely to goodness we know and he knows, and if he does not know it is high time he did—and it would be far more honest of him to admit that this is a fact—that an income tax increase whether imposed on business, on salaried individuals or on persons earning wages, is passed on at the first opportunity. And who ends up paying the increase? John Customer does. The Canadian public ends up paying it. And who is the gainer? The Minister of National Revenue.

An hon. Member: Not personally.

Mr. Lambert (Edmonton West): I mean, the government. The Minister of National Revenue epitomizes the government. It is the government and not the minister personally that ends up as the gainer. And what does he do with the money? I know that the NDP approves of money being taken into public coffers that shall be subject to the direction of some faceless individuals, suddenly become genies, who frankly have not made a success of their own affairs but are great in telling others how they should run theirs.

Sir Stafford Cripps—I must be careful with the name—said that all the bureaucracy that was hired by the Labour government that came to power after the end of the Second World War was engaged in economic production. Of course, he was the greatest of the dreamers and of the bureaucrats, and the whole system fell like a house of cards pushed by a child. Why, Mr. Chairman? Because it only took a child to knock out so many of the things that were set up under those wildly idealistic, theoretical dreams that had been dreamed up over the years by people in books and by others—and none of them had ever run a business, none of them had ever faced the need to finance inventories, none of them had ever faced the problem of meeting a payroll.

An hon. Member: The hon. member for Waterloo did.

Mr. Lambert (Edmonton West): The hon. member for Waterloo may have, but he was not then a dedicated member of the NDP. Since then he has sold out, so that he does not need to worry.

An hon. Member: He sold out in more ways than one.

Mr. Saltsman: That is not true.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): He no longer runs a business.

Mr. Saltsman: The hon. member should say what is correct and get the facts straight.

Mr. Lambert (Edmonton West): He no longer runs a business successfully.

An hon. Member: Move two seats to the right, Max.

Mr. Lambert (Edmonton West): You know, this is funny. I always find that the NDP are awfully good at telling other people how to run their business. For themselves, however, they do not apply the same rules.

• (9:00 p.m.)

An hon. Member: Is that true, Max?

Mr. Lambert (Edmonton West): They are arch capitalists. They abide by the orthodox rules. They work hard. I do not deny that when the hon. member for Waterloo was in business, he ran close to having ulcers. His blood pressure was up and he had sleepless nights.

Mr. Saltsman: That started when I came here.

Mr. Lambert (Edmonton West): He made money, Mr. Chairman.

An hon. Member: He made millions.

Mr. Lambert (Edmonton West): He kept people operating. He provided jobs.

The Assistant Deputy Chairman: Order. The hon. member for Waterloo is rising on a question of privilege.

Mr. Saltsman: I am sorry I have to rise on this question of privilege, Mr. Chairman. While the remarks of the hon. member for Edmonton West are very interesting, I hope he will confine his comments to the subject before us rather than a Dun and Bradstreet evaluation of my affairs.

The Assistant Deputy Chairman: I think it is the function of the Chair to decide that.

Mr. Lambert (Edmonton West): The only reason I am spending an unduly long time on my friend, the hon. member for Waterloo, is because of the extent of the affection which the House has for him.

Mr. Lewis: Don't be jealous.

Mr. Lambert (Edmonton West): The hon. member told us that the conduct of small business by Canadians under a system that has been in existence for over 20 years, and certainly at the present level of income tax at $35,000, 25 per cent, a two-tier system for 11 or 12 years, if my memory serves me right, has been wasteful from the point of view of the national economy. We have not heard too much about how he would replace the present system, what incentives he would give to small business and how the system he advocates would provide even one more job. After all, the hon. member must be concerned about jobs. The hon. member for Laurier knows that. He argued the same point. He maintained that same point of view in the finance committee.

This country runs on the jobs that are provided. People are interested in jobs. They want a new job or a proper job in order to provide a roof over their head, enough food for their family and some return for the future. This is what the ordinary individual is concerned about. I do not care whether he earns $50,000 a year or $5,000 a year, depending on his capabilities—we all have that same philosophy. This is what we must devise as the groundwork for a tax system, one that is based on incentives.

Man is a curious individual. Maybe I am subjective on this. I always work better with a carrot, some incentive or goal ahead of me, rather than the restrictions and disentitlements of strict regulations and so forth. Incentive is what we must have in Canada. After all, we are not only competing on the national scene but in the international market place. This is becoming tougher and tougher. This bill is full of disincentives; nothing more is contained in these sections on corporations. I have been going over the group of sections that Your Honour's sharer of the chair read to us as being the subject matter of today's discussion. I think that less than 50 per cent of the sections are new. Most of these are headed "tax on" or "additional tax on". Bearing in mind the various ramifications, it is almost impossible to pick out any sections that are carried forward from previous legislation.

I have been able to come up with eight or nine sections which I will be prepared to discuss with the parliamentary secretary or the government House leader, as I did last Friday afternoon, in order to show that this debate can produce some degree of understanding in certain places. We use this House as a forum to expose the weaknesses or advocate the strong points of legislation. This is what I have been endeavouring to do, albeit at the same time working out a list of sections which, after consultation between now and ten o'clock, I hope to be able to put before hon. members for acceptance.

Mr. Saltsman: He just took a breath. Now he has a second wind.

Mr. Lambert (Edmonton West): The hon. member should know that I can shift gears very quickly. The hon. member provided me with an almost unparallelled opportunity for a philosophical dissertation on the difference between the New Democratic economic philosophy and that of the party which I represent. The Minister of Justice is looking at me with a quizzical eye. Is he inviting me to give a dissertation between Liberal economic philosophy and that of the Conservatives?

Mr. Turner (Ottawa-Carleton): I was just going to suggest that if you let out your clutch you would strip those gears.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): The minister is exhibiting a bit of impatience. We would welcome the minister's legal knowledge or legal opinion. Before he came into politics he was with what is possibly Canada's leading tax advisory firm. It would have been very instructive to have the minister take us through some of the clauses on drafting sections which have been brought forward. The minister can grin. He knows damned well he can't do it.

I now come to the restrictions on small business and the matter of ineligible investments. It must be pointed out that the one quality or characteristic that defines ineligible investment is its ownership at the end of the tax year. It is not what you had six months ago that worries the tax man. It is that which you have at the end of a tax year. This can invite, shall we say,—

[*Translation*]

How would I say that in French—corporations purge themselves at the end of the financial year?

[*English*]

In other words, they purge themselves of anything which would be ineligible. On the other hand, one week thereafter they go right back into the old bath, if that is not mixing metaphors too much. They step out of the dirty water they are supposed to be in, stand lily white on a new bath-mat and say, "Here I am, all nice and clean." As soon as they finish the inspection they go back into their comfortable bathwater, which is not so clean but which from their point of view is much more remunerative. Outside of the fact there might be some pretty substantial brokerage charges on one hand, the cost of getting in and out of these investments, there would be no other disincentive against this move.

• (9:10)

I admit the tax people would be here within eight or nine months, or maybe even less, with a hole-blocking amendment to the act but at the present time the sections in question are deficient to that extent. I shall not say it is wrong to point these things out because various firms of chartered accountants have been quick to advise their clients of them.

The last point with which I should like to deal concerns a restriction which I feel is most amazing, namely, that a company which has been enjoying a small business status loses its qualification should it become no longer Canadian-controlled. Where a Canadian-controlled private corporation which has the benefit of the small business deduction ceases to be Canadian-controlled but remains a private corporation, a special tax is exigible equal to 25 per cent of its preferred rate amount minus four times the tax paid on ineligible investments less any refund thereof.

I shall repeat part of that and ask hon. members across the way who happen to be chartered accountants, this question. If a corporation remains a private corporation, there would then be a special tax equal to 25 per cent of its preferred rate minus four times the net tax paid on ineligible investments. Where is the sanctity of this formula? What is the rationale? Why four times the tax paid? Is it an arbitrary figure? I ask the parliamentary secretary to explain. In effect this will mean the recapture of the small business deduction benefit previously received minus the allowance for dividends previously paid.

The Assistant Deputy Chairman: Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

Some hon. Members: Carry on.

The Assistant Deputy Chairman: The unanimous consent of the committee is needed. Is it agreed?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): Under this formula, if a private corporation ceases to be Canadian-owned it loses its status of a private corporation and becomes subject to a tax of 25 per cent of its preferred rate as a small business less four times the tax which would be payable on the ineligible investments, less any refunds. What should have been said there is "four times the net tax paid on ineligible investments".

All this means is that small businesses which had previously received certain benefits will be obliged to refund them. This becomes pretty tough, Mr. Chairman. Suppose there has already been a benefit amounting to $400,000—on the income, but not on taxes. Tax will be 25 per cent. After all, that is what it is, 25 per cent of $50,000. In 1972 the maximum tax on $50,000 will be $12,500; in other words, one-quarter. So one arrives at $12,500 each year for eight years, which comes to $100,000. So the penalty imposed upon a Canadian-controlled private corporation which ceases to be Canadian-controlled will be $100,000 in tax recaptured.

Mr. Paproski: That's not much.

Mr. Lambert (Edmonton West): Not much? One hundred thousand dollars! I can hear a lot of people saying this is a good feature because it will keep small private corporations Canadian-controlled. That may be. But remember, the owners of these Canadian-controlled private corporations may sell by way of merger to another Canadian corporation at which time the tax is not exigible. Control could change voluntarily on sale of control to non-residents or on sale to a Canadian private corporation controlled by non-residents. It could also occur involuntarily on the death of a Canadian controlling shareholder who bequeathed his shares to a non-resident heir.

The situation here could become extremely difficult. Suppose citizen A, a Canadian, owns controlling shares in corporation X. By his will he bequeaths his interest to his son who, just before his father's death, decides he will live in the Bahamas or, even better, he does not go to the Bahamas—because that is a voluntary decision—but is posted abroad by the international company for which he works, and is resident abroad. The son might be working for a Canadian international firm, say in Australia or in Indonesia—working for the Canadian nickel interests out there. He inherits the shares from his father in this Canadian-controlled private corporation. And what happens? The small corporation's status is lost. That is a completely involuntary result of this operation.

That is the effect of the law. Mind you, the tax would not become exigible if control was acquired by a Canadian public corporation or if the company itself went public though it appear that in both these cases subsequent conversion to a private corporation controlled by non-residents would trigger the tax. But for a private company to go public is something which is accomplished only at great cost. It is not too easy a step. Frankly, if a private corporation goes public it means it has abandoned the thinking behind the two-tier system; it is going public because it wants access to public sources of finance. That is the principal reason it voluntarily abandons its status as a private corporation.

It certainly appears that the required refund of the small business deduction tax saving is likely to depress the price a non-resident is prepared to pay for the shares of the corporation, particularly where the price placed on the shares is close to break-up value. When taken together with the deductibility of interest on money borrowed to buy shares, it should place acquisition-minded Canadian corporations in a better competitive position vis-à-vis their non-resident competitors.

• (9:20 p.m.)

That may be so, but I say that in many instances this will not be the result. As I have already said two or three times this afternoon, this is part of the policy of the government in regard to foreign ownership. Or is it? Certainly is an expression of it. Yet we are asked in a backhanded way to define Canadian policy on foreign ownership by the piecemeal discussion of various clauses of a tax bill. To me this is quite wrong and reinforces my earlier argument and that of my colleague for Peace River, as well as the argument of the Leader of the Opposition, that these particular sections must be deferred so the government can make up its mind what it is going to do about foreign ownership. Why ask us to place the cart before the horse? In fact, you usually know what kind of horse and what kind of cart, but in this instance the government has not even spelled out the kind of nature of either the horse or the cart.

It may be that I shall want to address further remarks tonight to this subject, but I would appreciate it if someone would allow me to negotiate the various sections I want to discuss so that we can make some progress.

The Assistant Deputy Chairman: Shall the amendment carry? The hon. member for Waterloo.

Mr. Saltsman: Mr. Chairman—

The Assistant Deputy Chairman: Order. I thought the hon. member for Laurier was leaving his seat. The Chair recognizes the hon. member for Laurier.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Chairman, I did not intend to participate in the debate but after hearing the hon. members for Waterloo (Mr. Saltsman) and Edmonton West (M. Lambert) who were on the Committee of Finance, Trade and Economic Affairs, I could not resist the urge to say a few words on the corporate income tax.

I challenge the hon. member for Waterloo to prove the accuracy of the figure of $400 million. I have studied the summary of the bill of fiscal reform published when the budget was brought forward on June 18 last. It contains instances of changes to the income tax payable by corporations during the first year of the new system's implementation. Based on 1968 incomes, the increase would have amounted to $20 million and on 1972 incomes, it will amount to $30 million.

The member for Waterloo could perhaps explain how he arrived at the figures quoted in the House? In addition, he delivered, as usual, a rather eloquent speech and I wish to congratulate him, especially for his comments on incentives for small businesses.

As mentioned by the hon. member for Edmonton West, the Creditistes must again explain not only how we have provided for incentives in Bill C-259, but how they would have proceeded to perform such a task.

Evidently, the legislation is complex. Speaking to the Canadian Tax Foundation last week, the Minister of National Revenue (Mr. Gray) stated that we are living in a rather complex industrial community and that when we want to make exceptions in a legislation to make sure that incentive will only be profitable to the small business, we are compelled to establish some formulas to be certain that contrary to what is provided under the present act, big corporations do not benefit from incentives provided to small businesses.

The hon. member for Edmonton West said that corporations are now purging themselves. They do purge themselves for a very simple reason: so that the surpluses accumulated before December 31, 1949 be freed and distributed free of charge to the shareholders, which means that for the shareholders who are going to receive them, these will be non-taxable. This seems interesting enough as an incentive.

Corporations are also purging themselves so that surpluses accumulated since 1949 become non-taxable, by paying only 15 per cent, so that they be distributed free of charge to shareholders. We realize then that companies might be prompted to purge themselves so that their shareholders benefit from the generosity of the federal government under the bill now considered, in the course of transitional periods, because, obviously, beginning in 1972, the new act shall be effective.

As the hon. member for Edmonton West was saying, incentives to the small business serve to encourage Canadians to invest in Canadian corporations; at the present time, that does not seem to be happening. In fact, an analysis of statistics relating to investments by Canadians shows that such investments take the form of bond purchases and bank deposits, rather than investments in

Canadian corporations. I suggest that the new law should provide incentives to encourage Canadians to invest in Canadian societies.

There was some mention of "four times something".

Of course, some mathematical formulas are set in the bill. Indeed they had to be to save the hon. Minister of National Revenue the trouble of making rules on ways and means of implementing the new legislation and perhaps to invite him to use his controlling authority more sparingly.

Many theories are brought forward in the discussion of those figures. Some say it could harm Canadian industry, but that has not been substantiated. However, if sections of the bill really hurt the national economy and employment promotion, I am convinced that as soon as there will be evidence of it, and even before that, the government will have enough far-sightedness to make the necessary amendments.

[*English*]

Mr. Saltsman: Mr. Chairman, I had hoped to spare the committee a third dissertation in one day on this particular section.

Mr. Benjamin: Don't do it.

Mr. Saltsman: I have been persuaded by my colleague that I should not do it, and since I value his judgment very highly I should like to contribute just a few remarks to this debate, particularly in response to some of the arguments made by the hon. member for Edmonton West who I see is trying out a government seat. Although the polls are somewhat better than they have been for his party, I think he is being unduly optimistic.

I always listen with great interest to the remarks of my hon. friend from Edmonton West because they are remarks that are seldom heard—seldom since the eighteenth century anyway. I think the last time such views were held was in a book entitled "The Fable of the Bees" by Bernard Mandeville. The argument was essentially that of the hon. member for Edmonton West and it ran something like this: We should encourage the luxurious consumption of the well-to-do because, after all, the poor benefit because the rich hire chimneysweeps, the rich need people to look after their gardens, the rich require clothes which need buttons sewn on, and all kinds of things. So we should see that the rich have lots of money and that no one takes their money away because, after all, they provide employment and where would society be if the rich did not have the money to provide employment?

• (9:30 p.m.)

This is basically what my friend thinks. I for one have never suggested that the money which goes to business or the money which goes to those who already have it is locked away somewhere and is not used. That is not the argument at all. The money is used. The question is, for whose benefit is the money used and whether that is the best way to stimulate our economy. This is known as the trickle-down theory. If you have enough rich people with all kinds of consumption or investment plans, then everybody else must benefit. This might have been a valid enough theory in the seventeenth or eighteenth century, but surely our economics have advanced beyond that point.

I think the issue in this debate is whether the $400 million given under the old program and the $300 million under the proposed legislation is best used to help the economy by being dispersed in the way suggested. I think not. This is the argument I have been attempting to make. I also heard the hon. member for Edmonton West say that if we do not give business some of these advantages and tax benefits, prices will rise. What I believe he is really saying—I hope I am interpreting him correctly—is that business will take what it wants to take regardless of what we do with our tax system; that we can increase taxes or put off giving certain benefits but they will still take what they want to take.

I think there is some evidence that this is what is happening, but it hardly seems pertinent to the debate before us. More importantly, however, I want to meet the direct challenge the hon. member attempted to put to me when he asked what I or my party would do to replace the present legislation since we have said we are interested in helping small business. We are very concerned about this. He asked what we would do rather than have this $400 million bonanza. I think that was a fair question.

Since some personal elements have crept into this thing—there has been reference to myself as a small businessman—I might say I have been in business for about 25 years and therefore have some experience. I have even met a payroll on occasion, and on occasion did not meet it because we did not have the money. So I believe I am qualified. Somebody has put the stamp on me and I can now talk about these unholy measures which are restricted to somebody who has met a payroll.

Let me recall some of my experiences. My opposition to this arises from my experience. At a time when I desperately needed help, this legislation was of no help to me. A small businessman needs help when he is not in a profitable position and is attempting to get off the ground. He does not need it when he has a profit position of $30,000 a year. Some of these people do not get off the ground. The way to help them is not by giving them an additional reward when they have made money. They do not need it then. However, they do need it when they are starting up.

One of the finest programs the government introduced is one which unfortunately the banks have never extensively promoted. I am speaking of the small businessman's loans program by which a person could go to a bank and obtain $35,000 payable over a long period at a low rate of interest. That was of more value in getting people started in business than anything else. Another thing which has been of value has been reduced depreciation. A small businessman needs assistance in the way of an initial loan. He needs it in the way of assistance if he is going to do research if he should be in that kind of field. He needs it to help him in marketing. He needs it in his contacts.

Perhaps he even needs a preferential buying arrangement. He needs it to build up his inventory if he should be in the retail trade. He perhaps needs it in the way of a tax deferral if he can indicate he is in an expansionary period. All these are legitimate ways, in my view, to assist small businessmen. They are ways to help small businessmen to

a much greater degree than the proposed measure. And, I suggest, Mr. Chairman, at infinitely less cost.

What are we really talking about? If my hon. friend from Edmonton West is really concerned about helping small businessmen, those who are trying to get started and those for whom he feels strongly—and I am sure he does—why does he not suggest measures such as an expansion of the small businessman's loans and depreciation allowances in the first years in business? After all, they are willing to do this for the large mining corporations. We give them a three-year tax holiday? They are willing to do it for the oil companies, but where is it for the small businessman?

This is something Carter recommended. There are many ways, I know from experience, in which small businessmen can be assisted. The idea of giving them tax benefits after they have made up to $50,000 profit is laughable. If you want to give them a tax benefit on the Mandeville fable, or the trickle-down theory, if you want to use eighteenth century economics, fine—and by the look of this bill, this is what we are doing. But if there is any genuine concern for helping the little man get off the ground and giving him help when he needs it, then this legislation is not the way to do it and it cannot be justified on those terms.

I ask hon. members to consider what I have said because the hon. member for Edmonton West—and perhaps some of his colleagues feel as he does—thinks our opposition to the $400 million give-away is opposition to assisting business. Nothing could be further from the truth. We are very anxious to assist business, and small business in particular. If a business is profitable, it has less claim to my sympathy or to my tears. Any kind of tax on business is probably going too far so far as the Conservative party is concerned. I see that the Conservative party is very envious of the Liberal party's ability to open the purse-strings of business and are hoping that they might have a nice little poke at that bag themselves. This is understandable.

We are not so blessed. Those purse-strings remain tightly closed to us. The unions do not get these tax free allowances. I hope there will be debate along the lines I am suggesting, and that we turn our thoughts to more significant ways of helping small business in this country instead of blathering about giving additional rewards to those who are already making significant profits and do not have to show that they are prepared to use those profits for the needs of their business, for providing employment or for the benefit of the country.

Mr. Lambert (Edmonton West): Mr. Chairman, better it should be my day in the House today to point out some of the deficiencies in the legislation, than that the House be deemed to have looked at these things and just dismissed them or passed them very cavalierly. I hear from the background something about a concept in economics. That hon. member's economics would not get him out of the woodwork in a service station, if we were to apply them. I should like to see him run a business.

• (9:40 p.m.)

In any event, a number of able briefs have been presented to the government. Unfortunately, this type of operation in committee of the whole prevents any hon. member discussing these briefs with government officials or even with ministers. We have had a succession of parliamentary secretaries who have been taking turns at doing House duty. As we say in French—

[*Translation*]

Silent as the grave.

[*English*]

They give no information. The only one who has been able to speak at any time is the hon. member for Calgary South, and he has done more to alienate certain personalities in the opposition than contribute to the efficacy of the debate. Certainly he has not contributed to any greater knowledge.

Some excellent briefs were put forward to the government by the Canadian Bar Association, the Canadian Institute of Chartered Accountants, a number of major chartered accountants firms, the Canadian Manufacturers Association, mining associations and a number of other business organizations. They represent large and small interests. But if there is such a thing as an amalgam of small businesses or individuals, such as the Canadian Congress of Labour, and if it wanted to get off its collective stern and get something down on paper where it would be of some benefit to its membership, it would be discharging its responsibilities instead of abdicating them.

Those bodies exist for the purpose of advancing the interests of their members and it is a good thing that some of them do. If one relied upon the silence that we get from certain quarters, one could pass any type of petition. I am sure the hon. member to my left would like to sign one that advocated his own hanging.

In the brief of the Canadian Bar Association there is one observation which should go on record—and may I say that in its approach the Canadian Bar is not unfriendly to some of the spirit of the legislation, particularly in this section. I do not quite agree with all it says, but they point out some of the inconsistencies. Here, again, is something that is not included in the 150-odd amendments that have been brought forward. I think the Minister of Justice should lay the whip to some of his draftsmen again. He had them under the gun all spring and summer to produce Bill C-259. In any event, the following statement is made in the brief:

Basically, it is hoped to clear out the 1971 undistributed income on hand and the 1971 capital surplus before the earnings or gains under the new system are distributed.

I suppose that various Ministers of Finance have dreamed of what they claimed to be vast reserves hidden somewhere under layers of corporate camouflage. But financing has been so difficult that I am surprised that any Minister of Justice or any of his advisers should continue to be under the illusion that so much money was hidden when people were desperate for money. I remember when years and years ago they said that Canada had billions and billions of bushels of wheat, but somebody had lost sight of the fact that a good number of people had been able to dispose quietly of their stocks. They were not going to let government regulations stand in their way of liquidation. The same thing happens here. The brief continues:

Once these historical anomalies are cleared up, the system should

function with relative ease. We wonder, however, why complications were added to some of the amounts which were to become of historical interest, such as paid up capital deficiency, so that current situations continue to apply to them. Any simplification of the rules for what amounts are attributed to what accounts or "pots" for the purposes of shareholder distributions would be most welcome. Of all the confusing concepts in the new legislation, none is more difficult than the pot contents set out in the definitions in section 89.

If hon. members would look at section 89 they would see that there we have a reference to pot contents. It is a difficult thing under the act to define what is in this particular pot. The other day I saw a diagram on mineral taxation where reference was made to storage bins, to particular mixing bins and this sort of thing, and finally some sort of amalgam came on at the end. I do not think even the author or the artist knew what on earth had come out in the end. The brief goes on to state:

We believe there are too many pots and too many difficult calculations to make to determine what amount is in what pot. In the definition of paid up capital deficiency, for example, all but one of the ten subsections which must be examined cross-refer to other provisions of the statute or involve complicated definitions contained in other paragraphs of subsection 89 (1). Almost all of these cross-references lead to further cross-references or definitions, which are not helped by the erroneous cross-reference in (IX) to subsection 111 (1)(b) which should be to subsection 111 (1)(a). Yet, essentially, the section is defining only the amount of a capital deficit with which existing corporations will enter the system. In most cases, there will be no necessity to make the calculation because the corporation will not have a capital deficit anyway. We believe there must be a simpler and clearer way to enact one operative section which would set out in logical sequence the rules for taxation of future distributions of those corporations entering 1972 with a capital deficit.

That is the nature of the criticisms that appear in the brief entitled "Canadian Tax Reform—A Review". I could go on and pick out some more but because of the time factor and as a result of discussions I have had with representatives of the other parties, with the exception of the Créditistes—

[*Translation*]

There was nobody in the House at that time.

[*English*]

I am prepared to propose to the parliamentary secretary that the Chair call the following sections which we have up for discussion tonight, along with another one which did not form part of this group but is related to it and which we would be prepared to have included. If the Chair would call the following sections, I think the committee might generally be disposed to pass them. Certainly members on the government side would welcome this.

Perhaps the Chair might call sections 181, 182, 183, 185, 187, 191, 193, 195 and 197, and outside the group of sections that was before Your Honour today which referred to bankrupt corporations and is merely a carry forward of existing legislation and causes no problems, section 128. I think there would be disposition as far as we are concerned to accept those clauses this evening and then call it ten o'clock.

• (9:50 p.m.)

Mr. Baldwin: The spirit of Christmas has got into the hon. member—Santa Claus.

Mr. Benjamin: You guys are being too nice.

[Mr. Lambert (Edmonton West).]

Mr. Lambert (Edmonton West): We make progress.

The Assistant Deputy Chairman: Is it agreed that the Chair now call the sections enumerated by the hon. member for Edmonton West?

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Chairman; but I was just going to ask if there are any government amendments to any of these sections.

The Assistant Deputy Chairman: There do not appear to be any amendments on these sections, so I shall call them one by one.

Clause 1, sections 181 to 183 inclusive, agreed to.

Clause 1, sections 185, 187, 191, 193, 195, 197 and 128, agreed to.

Mr. Baldwin: Mr. Chairman, perhaps I might ask before you get in your exalted position in the Chair, and our having made such great progress today, what particular sections the government will see fit to concentrate on tomorrow. Perhaps the government House leader or the parliamentary secretary would suggest some sections which would permit hon. members on the other side of the House to make a contribution for a change.

Mr. Paproski: That will be the day.

Mr. MacEachen: Mr. Chairman, tomorrow we will call division I, sections 166, 167 and 168; division J, sections 169 to 180 inclusive; followed by part XV and part XVI, sections 220 to 247 inclusive; followed by what has mysteriously been called residuals.

Mr. Lambert (Edmonton West): Ten o'clock.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

The Acting Speaker (Mr. Boulanger): The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, since it is a few minutes before ten o'clock I wonder if the hon. member for St. John's East (Mr. McGrath) could be called first.

The Acting Speaker (Mr. Boulanger): Is it agreed?

Some hon. Members: Agreed.

FISHERIES—SUGGESTED TALKS WITH OTHER COUNTRIES TO DETERMINE REACTION TO POSSIBLE CANADIAN EXTENSION OF JURISDICTION TO COVER CONTINENTAL SHELF

Mr. James A. McGrath (St. John's East): Mr. Speaker, on Thursday, November 25, my colleague, the hon. member for Gander-Twillingate (Mr. Lundrigan), and myself directed questions to the Secretary of State for External Affairs (Mr. Sharp) asking if he was aware of the bill

passed by the legislature of the state of Massachusetts extending the fisheries jurisdiction of that state to 200 miles or 100 fathoms, in other words, to take in their continental shelf. The minister replied, as reported at page 9872 of *Hansard*:

Mr. Speaker, I was not aware of it. I will certainly make inquiries to see what has really happened and look at the implication for Canada.

On the following day, Friday November 26, I directed a similar question to the Minister of Fisheries (Mr. Davis) and received the following reply at page 9918 of *Hansard*:

I have made inquiries, Mr. Speaker, but I have not yet seen this legislation. It would seem to me to be ridiculous. There could be no possible parallel in Canada. If the hon. member is suggesting that Newfoundland alone declare a 200-mile limit, then I think he should talk to the government of that province.

Mr. Speaker, I was alarmed, to say the least, to learn that the Secretary of State for External Affairs, the minister charged by Parliament with the responsibility of looking after our foreign interests, would not be aware of a bill passed in the Massachusetts legislature and held to be constitutional by the Supreme Court of that state, extending their jurisdiction up to 200 miles or taking in effective jurisdiction of the continental shelf on that eastern seaboard of the United States.

It is even more alarming when we learn that our Minister of Fisheries, who is charged with the responsibility of looking after the interests of our fishing industry, would suggest in reply to a question in this House that he had not seen this act of the legislature of Massachusetts which was passed on November 8, ratified by the governor of the state on November 16 and subsequently upheld by the courts of that state as constitutional. The action taken by Massachusetts flowed from a meeting of the governors of the New England states which took place last summer, at which they adopted the following resolution:

New England governors resolve to urge extending limit to 200 miles—

Whereas, the virtual extinction of New England's offshore fisheries resources by foreign factory vessels is a clear and present danger to the region's commercial fishing industry; and

Whereas, the continued exploitation of this irreplacable natural resource threatens the stability of the region's marine environment; and

Whereas, the need for intelligent management of New England's marine resources requires the extension of jurisdiction over living marine resources beyond the present 12-mile limit;

Now therefore be it resolved that the New England Governors' Conference hereby urges the New England congressional delegation and the executive branch of the federal government to lend their full support to passage of emergency legislation which would extend fisheries jurisdiction 200 miles from our nation's shoreline or to the one hundred fathom curve. We are convinced this policy is essential to both the health of our regional maritime economy and our nation's ecological balance.

That resolution was passed by the governors of the New England states in July or August of this year and was followed by an act of the legislature of the state of Massachusetts aimed primarily at bringing pressure to bear on the government of the United States to act to protect the fisheries of the New England states. Mr. Speaker, the commercial fishing industry is much more important to the provinces of Atlantic Canada than it is, I say with respect, to the New England states of the United States, yet no similar action has been taken in our country.

No action has been taken notwithstanding repeated urgings in this House by hon. members, myself included, and notwithstanding the formation of a special committee of the fishing industry called the Save our Fishery Association which has been formed by participating members from the Atlantic provinces and the province of Quebec. Its aim is to bring pressure to bear on the federal government to act and to protect this vital Canadian resource which has been threatened as a result of overexploitation by the foreign fishing fleets that frequent our shores.

One of the ten points in the program put forward by the Save our Fishery Association states that they would be applying maximum pressure to have the federal government clarify its position on continental shelf control and have controls implemented before the end of 1973. If these steps are not taken, said Mr. Etchegary, chairman of the Save our Fishery Association, in the near future we will have no inshore fishery in Canada.

• (10:00 p.m.)

This is cause for much concern in my province of Newfoundland where thousands of people directly and indirectly depend on the fishing industry for their livelihood. This important industry is threatened with extinction because we as a nation have been unable to take the necessary steps to protect it. This industry is vitally important to the Atlantic provinces of Canada and to the province of Quebec. It is obvious that unilateral action must be taken by Canada. The precedent is there. We now have jurisdiction over the resources underneath our continental shelf, in other words, over the oil resources and so on.

It follows that we should have the same jurisdiction over resources above our continental shelf. Those resources are there. We are exploiting them now. Those resources are providing many jobs for Canadians and taxes for the economy. The industry is very important in the Canadian economy yet, Mr. Speaker, we do not seem to be able to translate this concept into government policy. The Secretary of State for External Affairs does not seem to be interested enough in the importance of this issue to obtain the necessary bilateral agreements with the countries that exploit our fisheries and to take the necessary unilateral action to declare sovereignty over our continental shelf in order to protect our fishing industry.

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, despite all the static raised in this House regarding a certain bill passed by the Massachusetts legislature, one wonders what there was to be excited about for that bill went completely unnoticed in the Boston newspapers. I took the bother of checking both the *Globe* and the *Herald*, and the bill in question did not receive so much as a mention.

The fact of the matter may be that our friendly American neighbours may finally be waking up to the serious threat of the depletion of our oceanic resources. Canada has been leading in this field for a number of years. We have taken positive action. We have already acted positively to curb this threat and we will continue to lead in this area at every meeting, at every domestic conference and at every international conference.

The Massachusetts enactment purports to extend the jurisdiction of the state off its coast for the purpose of the management of the fishery resources to 200 miles or 100 fathoms, whichever is the greater. It is of interest as reflecting the attitude of one American state on the importance of the Law of the Sea matters. Enforcement of this legislation would, I believe, involve certain constitutional questions in the United States upon which it would be inappropriate for me to comment. It should be noted, however, that the United States government continues to claim and enforce only a three-mile territorial sea and a further nine-mile fishing zone.

With respect to further development of the Law of the Sea by international agreement, the United States government has indicated that it would support a maximum 12-mile limit for the territorial sea and/or fishing zone, with provision being made for some preferential rights for coastal states in fishing resources beyond 12 miles.

The Canadian government has been pressing, particularly in the context of the forthcoming Law of the Sea conference, to achieve international agreement on the management of coastal fisheries beyond the limits of the territorial sea and exclusive fishing zones. Canada is seeking to obtain recognition of the coastal states' right to manage coastal fisheries for conservation purposes and to reserve for its fishermen a preferential share of those species which are vital to its coastal population.

Mr. McGrath: By the time the government begins to act there will be no fishery left.

POWER—PROPOSED JAMES BAY HYDROELECTRIC PROJECT—REQUEST FOR PUBLICATION OF REPORT ON ECOLOGICAL EFFECTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on October 29 I asked the Minister of the Environment (Mr. Davis) whether he would make public the survey which his department is conducting into the ecological effects on northeastern Quebec and Ontario which would result from the proposed power project which the government of Quebec is planning for the James Bay area. The reply of the minister was somewhat evasive. He said if the studies were ready he might make them public or available to interested environmental groups. What is involved here is probably the largest project of its kind ever attempted on the North American continent. Half a dozen or more rivers are to be diverted, huge dams are to be built, an ocean port constructed, thousands of square miles of trees are to be cleared and billions of dollars are to be expended in order to produce electric power, a large part of which will be sold to the United States.

Some of the most eminent scientists in the employ of the government and some of the people most actively interested in the problems of environment have questioned the whole concept. They have pressed the government of Canada not to permit this tremendous project to go ahead with such breakneck speed until some of the very important questions of its effects are assessed. We know from experience the very bad effects which followed the building of the Bennett Dam. We know of some of the bad results of the building of the Aswan Dam in Egypt.

[Mr. Corbin.]

The Canadian government, which has repeatedly said we must be concerned about the problems of the environment, is saying virtually nothing in this case. In connection with the proposed trans-Alaskan pipeline and tanker route down the British Columbia coast, the Acting Prime Minister (Mr. Sharp) said in this House on May 4:

> It is time to ensure that the protection of our natural heritage becomes a major priority of public policy—
>
> Large new engineering projects should not be undertaken before adequate information is available on the environmental risks which would be entailed.

This is precisely the question which we ought to be asking ourselves about the project with which the Quebec government is going ahead. This project will have an effect on the people of Quebec, a possible effect on the climate of Hudson Bay as well as an effect on people of northern Ontario and northern Manitoba. The whole ice floe in the Hudson Bay may be affected. The operation of the port of Churchill in Manitoba may be completely disrupted.

Dr. Lloyd M. Dickie, of the Bedford Institute at Dartmouth, Nova Scotia, one of Canada's top scientists, recently warned that man-made projects such as the James Bay project may alter our climate. He pointed out that the Gulf of St. Lawrence and the Gaspé climate has warmed by seven degrees since the St. Lawrence Seaway has been built. He predicts the opposite will happen if the James Bay project continues unaltered.

We are talking about an area which is of vital importance to the wildlife of the North American continent. This is one of the major areas for wild geese flight and the trapping of beaver. Close to 10,000 Indians who live in the area have vigorously protested against this project. This does not mean we ought not to go ahead with the project, but surely in light of the effects of the Bennett Dam on the Indian who lived behind it, the Department of Indian Affairs as well as the Department of the Environment should be expressing concern. They should be looking at the situation and protecting the Indians in the area.

• (10:10 p.m.)

Instead, what we find is the same kind of indifference, the same kind of silence as was encountered while the Bennett Dam was being built, and the effects will be a disaster of the kind that followed the building of the Bennett Dam. I urge the government to abandon its policy of silence and tell the people of Canada what, if anything, it has learned as a result of its studies of the damming of a number of rivers and the building of very high dams.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the first part of the question dealt with the environmental aspect and I would like to deal with its first.

In August, the Minister of the Environment (Mr. Davis) agreed with the competent authorities in Quebec to set up an informal task force composed of experts drawn from Environment-Canada and various provincial departments. The task force would make a preliminary evaluation of the impact of the project on the environment, evaluate the relative importance and sensitivities of the various elements of the ecosystem that will be affected,

map out the further in-depth studies to be conducted and, finally, report simultaneously to Ottawa and Quebec.

Since the studies are being carried out jointly with the province of Quebec, the concurrence of the province will be required before the reports can be made public. The Minister of the Environment made that clear in reply to a question by the hon. member for Winnipeg North (Mr. Orlikow) on October 29, as reported on page 9151 of *Hansard*.

As far as the portion of the hon. member's observations dealing with the Department of Indian Affairs and Northern Development is concerned, may I say that the area affected by the proposed developments in James Bay contains a population of 5,500 native people comprising seven Indian bands and a number of Eskimo families. Their traditional pursuits will undoubtedly be affected by the proposed development as much of the wildlife is confined to the river valley areas. The probable effects are being studied.

Needless to say, the proposed development is bringing to the fore the question of Indian interests in the land in which they have lived and toiled for so many years and which was transferred to the province of Quebec in 1898 and 1912. In recent years, Indians have expressed a great deal of concern about rights not only in Quebec but in the whole of Canada. The National Indian Brotherhood and the respective provincial associations, with financial assistance from the government, are playing a leading role in researching their rights. The Department of Indian Affairs and Northern Development is also directly concerned with the determination of the nature and quality of the Indian interests in the land of the province of Quebec, in the James Bay area in particular, and the study of this subject is continuing.

On the provincial side, early in 1967 Quebec created a commission to study the integrity of its territory. That commission, commonly referred to as the Dorion commission, published a part of its report concerning the Indian domain in February, 1971. The conclusions and recommendations of the report are known, but the views of the government of Quebec on the report have not as yet been expressed.

During the same period the Indians of Quebec Association submitted various briefs to the government of Quebec. One of them concerned territorial rights and another concerned fishing and hunting rights. Meetings and discussions between the association and successive governments in Quebec have taken place. To date, however, agreement has not been reached. Negotiations are continuing on this particular aspect of the question and the department is keeping in close touch with the Indians of Quebec Association on these and related matters.

Motion agreed to and the House adjourned at 10.18 p.m.

HOUSE OF COMMONS

Tuesday, November 30, 1971

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

MISCELLANEOUS ESTIMATES

Sixth report of Standing Committee on Miscellaneous Estimates, in the two official languages—Mr. Leblanc (Laurier).

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

* * *

[*English*]

HIGHWAYS

TABLING OF ALASKA HIGHWAY TRAFFIC STUDY

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I beg leave to lay on the table copies of a report entitled "Alaska Highway Traffic Study, Summer, 1971", in both languages.

* * *

AGRICULTURE

ANNOUNCEMENT OF PLAN TO HELP OVERCOME DIFFICULTIES IN MARKETING CANBRA RAPESEED

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I wish to advise the House of approval for an assistance plan to help overcome the interim difficulties in marketing the Canbra or low erucic acid type rapeseed produced on some 400,000 acres last summer. A two-pronged approach will be taken. On the one hand, assistance will be provided to encourage the movement of Canbra rapeseed into commercial channels for both domestic crushing and export sales. On the other, measures will be taken to defray extra costs of assembling and holding for export purposes Canbra rapeseed that otherwise might be lost through mixing with regular rapeseed.

This action is being taken to smooth the transition of Canada's rapeseed production to the new varieties with low erucic acid content.

The conversion program which started in 1970 has progressed well and farmers now have ample seed of the new varieties for 1972 planting. However, the Canbra rapeseed produced for crushing has not moved rapidly enough for conversion purposes because of the large quantities of regular rapeseed in trade channels.

It is necessary to take this action to assure early use of the Canbra stocks. In this way we can provide that Canbra oil will be available to the food processing industry and conversion can move forward without disruption next year.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, if the government is doing anything in this regard we will be very happy as it will be the first time they have done anything to help rapeseed producers.

Mr. Olson: That is not true.

Mr. Baldwin: It was only under the administration of my right hon. friend from Prince Albert that steps were taken to bring rapeseed from a zero position under the former Liberal government to make it viable.

Apart from those few general comments, Mr. Speaker, I simply say we will watch these two prongs, how long they are and how sharp they are, and see what happens. The government has told us nothing and the minister has told us nothing. We will watch with interest to see what happens.

Mr. Olson: You just do not understand.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, the minister has said that approval is being given to an assistance plan to overcome interim difficulties in marketing low erucic acid type rapeseed. He has not specifically said what will be done to accomplish that objective.

I am reasonably sure the minister knows what ought to be done. What the farmers of western Canada really want to know at this time is whether or not the emphasis next year should be on planting low erucic varieties or on the standard varieties they have been planting up to this time. Questions were asked in this regard at the outlook conference but were not answered. We were informed that the government was waiting for reports from commissions representative of government and industry that are currently overseas.

• (2:10 p.m.)

The difficulties in the marketing and in the crushing industry have stemmed from lack of clear direction and decision up to this time. They stem from a lack of clear acceptance of these varieties by the crushing industry in Canada and by those who are purchasing our rapeseed overseas. It is up to the Department of Agriculture and the food and drug people to come through with clear direction to the farmers as to where they are going in this very important crop.

Mr. Olson: We have.

Mr. Gleave: This has not been done. On that direction hangs a big piece of the farm income in western Canada. If you look at 100 million bushels you are looking at over $200 million in gross income, and the future of the rapeseed crop is hanging on this kind of decision.

I have never been satisfied that the food and drug experts knew what they were talking about and I will say so in this House. An industry like this is too important to rest on decisions that hang fire for 18 months. I urge the minister to take an early stand on this matter, and I urge that clear direction be given to the rapeseed producers of western Canada.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the statement which the Minister of Agriculture (Mr. Olson) has just made seems quite important, according to him. As for us, while reading it, we find it extremely vague, as it deals with assistance for the marketing of colza produced on 400,000 acres of land. Now, what we would like to know is whether the dealers or the producers are unable to produce or market the crop. As for us in eastern Canada, we maintain that the government must support the marketing of some western products and we must congratulate the minister in this regard.

After listening to this statement today, we do not know if the government wants to help the dealers or the producers. We should nevertheless congratulate the minister on his announcement. We ask him to be kind enough in the future to be clearer in his statements so that we know where we are in this House. We should then be better informed than we are now by this vague statement made by the minister.

* * *

[*English*]

CONSUMER AFFAIRS

ADVERTISING ON CHILDREN'S TELEVISION PROGRAMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mrs. Grace MacInnis (Vancouver-Kingsway): Under Standing Order 43 I rise on an important matter of urgent and pressing necessity. With Christmas buying in full swing it is especially important that children be protected against the pressures of television advertising which frequently cause confusion between fact and fantasy and often cause children to bring pressure on their parents to buy unnecessary and unduly expensive foods and toys. I therefore wish to move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the Secretary of State, through whom the CRTC reports to Parliament, take up with that body the desirability of imposing an immediate and complete ban on advertising on children's television programs for the remainder of 1971.

Mr. Speaker: Hon. members have heard the motion proposed under the terms of Standing Order 43. The motion requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

[Mr. Gleave.]

REGIONAL ECONOMIC EXPANSION

GRANTS TO UNION CARBIDE AND AEROVOX—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 which provides that in cases of urgent and pressing necessity a motion may be moved if unanimous consent is given. The matter of urgent and pressing necessity arises out of the recent decisions of the Department of Regional Economic Expansion to make grants to Union Carbide of Canada Limited and Aerovox Canada Limited to move part of their operations from the province of Ontario to elsewhere in Canada. Such grants are not only unfair to Ontario workers but detrimental to the regional development program itself—

Mr. Speaker: Order, please. The hon. member knows that he cannot argue the case. The hon. member can have the floor at this time to indicate in brief terms the urgency of the matter, but the hon. member is now arguing the substance of the motion and to that extent his presentation is irregular. He should limit his speech at this time to the matter of urgency.

Mr. Broadbent: Given the undesirable situation to which I have just referred, I should like to move under the provisions of Standing Order 43, seconded by the hon. member for Broadview (Mr. Gilbert):

That this matter be referred for immediate consideration to the Standing Committee on Regional Development.

Mr. Speaker: Hon. members have heard the motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity.

MOTION TO ADJOURN UNDER S.O. 26

THE CANADIAN ECONOMY

IMPLEMENTATION OF INDUSTRIAL STRATEGY TO PROVIDE JOBS

Mr. David Lewis (York South): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the pressing need revealed in the report of the Economic Council of Canada released yesterday for an industrial strategy to be implemented without delay in order to meet the large job-creation goals urgently required to avoid a continuation of unacceptable unemployment levels.

Mr. Speaker: The hon. member for York South has given the Chair due notice of his intention to request leave to move the adjournment of the House in order to discuss

the suggested need for an industrial strategy in relation to the creation of jobs and the avoidance of unacceptable unemployment levels.

It may be that the report of the Economic Council raises a new element in relation to the question of unemployment, but it does appear to the Chair that in essence the hon. member proposes that we should entertain a renewed debate on the question of unemployment.

It seems to me that the question of current and future unemployment levels has been the subject of wide debate on numerous occasions in the present session. I need only draw the hon. gentleman's attention to the debate on the subject which took place under special circumstances in the sitting of October 14 last. A like debate also took place on the third and fourth of this month on a supply motion.

It is agreed by all hon. members, I am sure, that the question is a most serious one and is of national and urgent interest, and that the Economic Council's report is of national importance and interest. I am sure the House will have many opportunities to discuss these matters at length in the days and weeks ahead.

For these reasons the Chair does not feel that this motion meets the requirement of urgency of debate under the provisions of Standing Order 26.

• (2:20 p.m.)

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

ECONOMIC COUNCIL ANALYSIS OF GROWTH NECESSARY IN NEXT THREE YEARS TO REDUCE UNEMPLOYMENT TO 4 PER CENT—GOVERNMENT POSITION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether his government accepts the analysis contained in the report of the Economic Council of Canada published yesterday to the effect that a growth of about 6½ per cent per annum will be necessary in the next three years to reduce unemployment in Canada to approximately 4 per cent? I assume the Prime Minister has not had time to personally study the report in depth, but in view of the importance of this question I also assume the Prime Minister has sought to see whether these forecasts are consistent with those of the government. Does the government accept this analysis and these forecasts made by the Economic Council?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Leader of the Opposition is right in his assumption that I have seen the report but that we have not had a chance to look at it in any great depth. It was only made public yesterday. I believe one of the difficulties with the report is that it sets out goals and aims with which the government agrees but does not indicate in any precise way how they can be simultaneously attained. For instance, on the question of the Leader of the Opposition it would depend a little bit on the degree of inflation the Economic Council is prepared to recommend to go along with this particular objective.

Mr. Stanfield: Mr. Speaker, the question I am interested in at the moment is quite apart from how one achieves this rate of growth or how one avoids an undesirable rate of inflation. Whatever the answers may be with regard to those problems, will the Prime Minister indicate whether or not the government accepts the analysis with regard to the amount of economic growth required in the next three years to reduce unemployment in Canada to approximately 4 per cent? Surely this is something the Prime Minister of Canada has immediately sought an answer for. Does that jibe or conflict? Is it consistent with the prediction of the government itself in its own analysis?

Mr. Trudeau: Mr. Speaker, I am surprised to hear the Leader of the Opposition say he does not care what happens to the rest of the economy.

Some hon. Members: Oh, oh!

An hon. Member: Come off it, Pierre.

Mr. Trudeau: That is exactly what the Leader of the Opposition said, Mr. Speaker, and I believe it is an irresponsible position. I cannot answer one thing without the other.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, I said no such thing.

Mr. Olson: You said you were not concerned.

Mr. Stanfield: I did not say I was not concerned. Quite apart from the question of how the goals are reached and what measures one takes to offset unnecessary inflation, I asked whether or not the government accepted the prediction, the analysis, of the Economic Council as to the degree of economic growth necessary, and I will not stand here and have my remarks twisted—

Some hon. Members: Hear, hear!

Mr. Stanfield: —by a Prime Minister who has to resort to that kind of tactic to avoid answering questions.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps the Leader of the Opposition might ask a supplementary question.

Mr. Stanfield: Mr. Speaker, in view of the specific predictions and forecasts by the Economic Council of Canada with regard to the economic growth required, I ask the Prime Minister what the government's own goal is with regard to the rate of economic growth over the next year or two? What are the government's own goals specifically in light of these forecasts of the Economic Council of Canada?

Mr. Trudeau: Well, Mr. Speaker, if we could afford like the Leader of the Opposition not to be concerned with the other aspects we would have a better goal than the Economic Council has put before us.

Inquiries of the Ministry

ECONOMIC COUNCIL FORECAST OF NEW JOBS REQUIRED TO REDUCE UNEMPLOYMENT TO 3.8 PER CENT— GOVERNMENT POSITION

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Prime Minister a question similar to the one asked by the Leader of the Official Opposition but on another aspect. Can the Prime Minister inform the House whether the government agrees with the conclusion of the Economic Council of Canada in its recent report that our country will need an additional 1.4 million new jobs in the first half of the 1970's in order to bring unemployment down to the relatively high level of 3.8 per cent, and if the government does not agree with this estimate, what forecasts has the government with respect to the number of jobs required to meet the increase in the labour force?

Right Hon. P. E. Trudeau (Prime Minister): We always took the position that the labour force was growing very rapidly indeed in Canada and that there would be a need to create a great number of new jobs. I cannot say whether the figure of 1.4 million is correct after having heard it for the first time yesterday.

REORIENTATION OF ACTIVITY FROM EXTRACTION TO MANUFACTURING INDUSTRIES TO CREATE JOBS

Mr. David Lewis (York South): In view of the fact that the increase in Canada's labour force has been foreseen by economists and was foretold by the Economic Council of Canada in reports several years ago, may I ask the Prime Minister whether the government is considering a program to reorient Canada's economic activity away from extraction industries, which are capital intensive and produce very few jobs, to a massive expansion of manufacturing industries where large numbers of jobs Lccaan be created?

Right Hon. P. E. Trudeau (Prime Minister): Certainly we have given a great deal of attention to this problem, but it is not certain that the solution is to be found in the conventional wisdom expressed by the Leader of the New Democratic Party. It might be, for instance, that it is expansion of the service industries rather than the manufacturing industries which would be the most important in the years ahead.

Mr. Speaker: Order, please. There are obviously a large number of supplementary questions to come. For the moment the Chair will recognize the hon. member for York South on a supplementary question and then go on to other supplementary questioners.

Mr. Lewis: In view of the fact that the government headed by the Prime Minister has pursued a very bad part of conventional wisdom—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I suggest to hon. members that the series of questions asked now might easily develop into a debate. The hon. member for York South has the floor for the purpose of asking a supplementary question. Perhaps he might do that now.

Mr. Lewis: Mr. Speaker, on a point of order, I appreciate that ministers of the Crown can refuse to answer questions, but with the greatest respect I do not quite appreciate the fact that the Prime Minister can make debating points and that in a question one cannot refer to these debating points as being shallow and unsupported.

Some hon. Members: Hear, hear!

Mr. Speaker: It is obvious that neither the Prime Minister nor the hon. member for York South may make debating points, but the hon. member has made his debating point and so did the Prime Minister. When they are made it is a little difficult for the Chair to rule subsequently, but I simply invite the hon. member to ask a question. It is as simple as that.

Mr. Lewis: In view of the fact that the concentration on large capital expansion of the extraction industries has not produced jobs and in view of the insistence of the report of the Economic Council of Canada that in order to create jobs emphasis must be laid on domestic demand, particularly in light of the present international situation, may I ask the Prime Minister whether the government is considering fiscal and other programs to expand the manufacturing and service industries in Canada for the purpose of creating the jobs necessary?

Mr. Trudeau: The answer is that we have achieved these results. I do not have the statistics at hand but I believe that if we look over the past decade we will see that there has been a faster increase in the manufacturing and service industries than in the extraction industries.

• (2:30 p.m.)

GOVERNMENT ACTION TO BRING ABOUT INCREASE IN PRODUCTIVITY IN CANADIAN INDUSTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a supplementary question to the Minister of Industry, Trade and Commerce. As the latest report of the Economic Council of Canada states that "productivity in Canadian industry must increase substantially if the required number of extra jobs are to be produced", does the government intend to bring this about by offering tax incentives to induce additional productivity, or is it planning on bringing this about by some other means? I ask this question now because the government has had this matter under consideration for some considerable time.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member and myself have something in common. We have both returned from long trips.

Mr. Bell: Did you have a lot of fun?

Mr. Pepin: I missed about 70 hours of sleep during mine. It appears that the hon. member did miss some too. With respect to tax exemptions or incentives my hon. friend should direct his question to the Minister of Finance, not to the Minister of Industry, Trade and Commerce.

Mr. Hees: Mr. Speaker, having held the portfolio that the minister now holds, and having had exactly the same type of questions addressed to me over several years, I would say that if the minister feels he cannot answer

these questions then he is not doing his job properly. So, Mr. Speaker, I will ask him a supplementary question.

Mr. Speaker: Order, please. We will soon be running short of time if every question is prefaced by a statement. This also applies to answers by ministers. I would hope we could try to get on with the business of the question period.

Mr. Hees: Mr. Speaker, following on the non-answer that the minister gave me I wish to ask how long the government intends to pursue the policy that there is nothing quite so good as doing nothing and maintaining the status quo?

Mr. Speaker: Order, please.

POSSIBILITY OF FURTHER TAX CUTS FOR LOW-INCOME CANADIANS TO STIMULATE DEMAND AND PROVIDE JOBS

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. In light of the fact that the income tax bill as presently drafted is still before the House, and the stress by the Economic Council of Canada on increasing domestic demand, I wonder if the Prime Minister has conferred with the Minister of Finance and discussed with him the possibility of further tax cuts for low-income Canadians in order that there can be a greater stimulation of domestic demand to provide these much needed jobs in coming years?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would be glad to discuss that with the minister when he returns from the Group of Ten meeting in Rome. In the meantime it would be helpful if the legislation presently before the House could be passed as it has the effect of reducing taxes on the low income groups.

UNEMPLOYMENT—DEVELOPMENT OF INDUSTRIAL POLICY TO UTILIZE SCIENCE GRADUATES UNABLE TO FIND WORK

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to ask a further supplementary question. Perhaps I could preface it by saying that there has been no reluctance on the part of the Minister of Finance to bring in a number of amendments since the bill first came before the House. I would ask the Prime Minister whether, in view of the statement in the preliminary report of the Department of Manpower and Immigration on the requirements for university graduates in 1971, issued yesterday, that in 1971 the demand for Bachelor of Science graduates declined by 44 per cent and for Doctor of Science degree holders by 31 per cent, the government is giving consideration to this very serious situation, and is it taking the advice of the Science Council of Canada for the development of a new industrial policy that will utilize this growing number of highly skilled scientific manpower resources that are presently unable to find work?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, there are many aspects of our industrial policy which are aimed with this in mind, and I am sure the Minister of Industry, Trade and Commerce will send copies of his statements to the hon. member if the hon. member wants to look into them.

Mr. Speaker: Order, please. I mentioned a moment ago that there are a number of hon. members seeking the floor to ask supplementary questions. For the present the Chair will recognize the hon. member for Shefford and then return to further supplementaries on this subject.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

NEW BRUNSWICK—IMPROVEMENT OF FRENCH TELEVISION NETWORK

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Secretary of State and of his parliamentary secretary, I shall put my question to the right hon. Prime Minister.

Does the government intend to give soon to over 200,000 French-speaking people in northeastern New Brunswick, a French-language television service through the CBC, as the residents and organizations of that area have requested it repeatedly?

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): He has just come back from New Brunswick!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member travelled to other parts of the country, he would see that there is also a demand for more French-speaking television or radio stations.

The Secretary of State is making a study of budgets and he will do his utmost to assist in making French-speaking television and radio available to French-speaking people in different parts of the country.

Mr. Rondeau: Mr. Speaker, I have a supplementary.

Since 200,000 citizens of New Brunswick repreent one-third of the population of the province and this demand has existed for several years, can it be hoped that the government will soon cease making studies and take action in behalf of New Brunswick's Acadians?

* * *

[*English*]

INCOME TAX

SUGGESTED SPLITTING OF BILL, PASSAGE OF CERTAIN PROVISIONS AND ABANDONMENT OF REMAINDER

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask a question in light of the Prime Minister's statement about passing Bill C-259. Would he be prepared to recommend to the Minister of Finance that he split the income tax bill in view of the fact that the newspapers show that several Canadian companies that are also operating in other lands are prepared to move their offices and factories from Canada, which will cost Canadians thousands of jobs? Would he consider splitting

that bill, letting the good part of the bill through and killing that which is killing the economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not agree with the premise of the question. Therefore the answer is no.

Mr. Woolliams: Mr. Speaker, I do not think the Prime Minister understands the premise because he has not read the newspaper reports.

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

* * *

THE CANADIAN ECONOMY

STEPS TO INCREASE INVESTMENT BY CANADIAN BANKS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. Following the revelation by the Gray Report that too little of the investment funds of Canadian banks actually goes into the Canadian economy, and following the remarks of the Prime Minister this afternoon that more needs to be done to expand the service sector of the economy, is the government giving serious consideration to taking steps which would lead to greater investment in the Canadian economy as a whole, and particularly in the job-creating service sector, by Canadian banks?

Right Hon. P. E. Trudeau (Prime Minister): We are studying that question, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Edmonton West who has been trying since yesterday to ask a question.

* * *

FINANCE

CANADIAN INITIATIVES AT GROUP OF TEN MEETING TO RESOLVE INTERNATIONAL MONETARY PROBLEM

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Prime Minister. Would the right hon. gentleman tell the House whether the Minister of Finance has taken any instructions from the government of Canada to the meeting of the Group of Ten in Rome with a view to developing initiatives in resolving the international monetary situation, or is Canada merely to adopt a passive role—

Mr. Hees: Just hope and pray.

Mr. Lambert (Edmonton West): —and to react to the suggestions of other countries?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, while the hon. member for Prince Edward-Hastings hopes and prays, the Minister of Finance will be following the line he has taken in the House of Commons.

Mr. Lambert (Edmonton West): Mr. Speaker, it is because of the minister following the usual line that we are making these inquiries. He has had a complete blind spot in regard to this problem. Therefore I am asking whether we in Canada have developed any particular initiatives to try to resolve this problem?

[Mr. Woolliams.]

Mr. Trudeau: Mr. Speaker, again, of course, there is disagreement on the premise of the question. If the hon. member feels the minister has had a blind spot, then he can do no more than hope and pray, like the hon. member for Prince Edward-Hastings. We will show results.

* * *

NATIONAL DEFENCE

CANADA-U.S. PRODUCTION-SHARING AGREEMENT—1963 AGREEMENT ON MAINTENANCE OF DOLLAR BALANCE—INCLUSION IN CURRENT NEGOTIATIONS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the President of the Treasury Board. Is he prepared to indicate whether he signed an agreement some time in June, 1963, on behalf of the government of Canada with the then United States Secretary of Defence, Mr. McNamara, the effect of which was to require the maintenance of a rough dollar balance in our defence production-sharing arrangements with that country?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, following discussions with Mr. McNamara I did make a report to the House on the conclusion of those discussions, and in general this was confirmed by an exchange of correspondence. As I think the House is aware, this particular arrangement is now under rather delicate negotiations with the Americans and is no longer my responsibility but that of the Minister of Industry, Trade and Commerce.

Mr. Forrestall: I thank the minister for that indication, and I wish to direct a question to the Minister of Industry, Trade and Commerce. It is a slightly different question but I suggest it is very closely related to my first one. Can the minister indicate if the present negotiations between Canada and the United States in the field of defence items, defence purchasing, and the area of related research and development information on material and programs, are being conducted on the basis of a required dollar balance formula with the United States and, if so, what is going to happen to the present surplus of $500 million that lies in our favour?

• (2:40 p.m.)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, first, I want to correct the statement made yesterday by the right hon. member for Prince Albert. The $500 million Canadian surplus is a cumulative advantage for 1959-70 and not last year's Canadian surplus under the defence agreement. That is the first point I wished to make.

In the document referred to by the President of the Treasury Board the concept of "general balance" was set out, but it has never been defined. This is where I believe the analysis of circumstances becomes very important. What has happened since 1963 is that there has been a very extensive United States defence commitment around

the world and a reduction in Canadian procurement of defence equipment. These circumstances are now changing and last year's surplus for Canada was brought down to $4 million. I think that the agreement of 1963 has to be interpreted in light of those circumstances.

Mr. Diefenbaker: Mr. Speaker, the hon. gentleman, having returned from Algeria, Tunisia and other African countries he visited in order to find trade, apparently has not studied the question very carefully; otherwise he would not have made the observation concerning myself. In view of that observation I now ask him whether he will table the agreement of June 6, 1963, I think it was, in connection with the defence expenditures. If he will do that we will have a complete answer, which we do not now have.

Mr. Pepin: Mr. Speaker, I will be delighted to put the record straight. At page—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: Answer yes or no.

Mr. Speaker: Order, please. I suggest to the minister that we are getting into a debate. Perhaps he might try to reply to the question quickly. Perhaps we could avoid debate either in the questions or the answers.

Mr. Pepin: Mr. Speaker, I am willing to bet the right hon. member for Prince Albert ten bucks that I am right.

Mr. Hees: Make it $20.

Mr. Pepin: On the second point, whether I will put on the table—

Mr. Hees: Put up the money. I have the bet covered.

Mr. Pepin: Right.

Mr. Diefenbaker: If the hon. member does not have $10 because he spent so much on his trip I will lend the money to him so he can bet it.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Dartmouth-Halifax East on a supplementary. I also suggest to hon. members that I do not think we are progressing very quickly at this point.

PROVISION OF INFORMATION ON HYDROFOIL AND GAS TURBINE ENGINE TO UNITED STATES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I direct a supplementary question to the Minister of National Defence or to the Minister of Industry, Trade and Commerce. Can either of these two hon. gentlemen indicate to the House whether or not we have turned over to the United States government the full evaluation reports on the *Bras d'Or* study and on the JD-6 gas turbine engine so they may be developed and produced in the United States?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, the answer to that would be no. There has, of course, been an exchange of information through a NATO committee on hydrofoil systems.

Mr. Speaker: Order, please. If hon. members will look around they will see that perhaps 30 or 35 hon. members are seeking to ask questions. We will not reach too many unless we try to proceed more quickly.

PRODUCTION OF TUCUMCARI CLASS HYDROFOIL BY UNITED STATES—POSSIBILITY OF CANADIAN PURCHASES

Mr. Doug Rowland (Selkirk): I have a supplementary question for the Minister of National Defence, Mr. Speaker. Since Boeing Aircraft Corporation is now going into the production of the Tucumcari class of hydrofoil, since there is pressure from the United States for us to increase our defence purchases there and since we need coastal patrol vessels, is the government of Canada considering purchasing Tucumcari class hydrofoils for that purpose?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I would remind the hon. member that a hydrofoil class of ship for coastal work would run into real problems with ice and other floating objects off the Canadian coast while a long-range open ocean hydrofoil of the type such as we are working on would not, so I think the answer is no.

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[*Translation*]

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—DISCUSSION RESPECTING CO-ORDINATION OF OTTAWA AND QUEBEC PLANS

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a question to the right hon. Prime Minister.

Since the Quebec Minister of Social Affairs stated yesterday that he intends to table a bill on family allowances before the end of December and that it would be difficult for Quebec to introduce a valid measure without knowing the nature of agreements with the federal government, could the Prime Minister assure the House that the negotiations now going on between Quebec and the federal government will be completed before the province introduces its bill in the National Assembly?

Right Hon. P. E. Trudeau (Prime Minister): I cannot answer the question, Mr. Speaker, because I do not know in detail what will be the attitude of the Quebec government. As for the position of the federal government, it is known because we have already gone through first reading of the family allowances bill.

Regarding the general principles Prime Minister Bourassa mentioned at the beginning of September, we have indicated our willingness to negotiate. I cannot give the assurance that negotiations will be completed if Mr. Castonguay wishes to introduce his bill at such a date.

Inquiries of the Ministry

[*English*]

GOVERNMENT ADMINISTRATION

PURCHASE OF TROPICAL PLANTS FOR NEW FINANCE DEPARTMENT OFFICES

Mr. A. D. Hales (Wellington): Mr. Speaker, I wanted to direct my question to the Minister of Finance but in his absence I will direct it to the President of the Treasury Board. In view of information just revealed in the supplementary estimates indicating that the Minister of Finance has authorized his department to purchase $75,000 worth of real or natural tropical plants from the United States to be used in the new offices of the Department of Finance in the Bell Building on Elgin Street—

Mr. Baldwin: They are lemons.

Mr. Hales: —may I ask the President of the Treasury Board if he will look into this incident—

An hon. Member: That's flower power.

Mr. Hales: —in the hope of stopping this extravagant waste of the taxpayers' money?

Some hon. Members: Hear, hear!

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think that probably that question can more usefully be explored in committee when the subject of estimates is discussed.

Mr. Hees: Oh, come on now.

Mr. Drury: I can say for the benefit of the hon. member from the Lake Ontario region that this is part of a rather more economical method of providing partitions and is known as office landscaping.

Some hon. Members: Oh, oh!

Mr. Hees: Do you have any horses on the payroll?

Mr. Drury: Mr. Speaker, I would be glad to provide those who still live in the last century with information.

Mr. Hales: Mr. Speaker, the minister said that this matter might be examined in committee. I understand that it was examined in committee. If the department insists that these plants be real or natural rather than artificial, would the minister make sure that they are bought in Canada? I can inform him that there is a company in Dundas, Ontario, from which they are available.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am sure the hon. member's representation has been noted.

Mr. Baldwin: There will be a rose for every taxpayer.

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SHIPPING

MAINTENANCE OF SERVICE ON WEST COAST OF VANCOUVER ISLAND

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport on the matter of subsidies to coastal ship services in Canada, with particular reference to the service on the west coast of Vancouver Island which is slated to be withdrawn on December 31. Will the minister use his good offices with the Canadian Transport Commission to make sure that this essential service is maintained at least until some alternative method of transportation is available for the communities involved, inasmuch as at present they have no other means of getting in their supplies?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I was under the impression on the basis of information provided by the Canadian Transport Commission that alternative means of transportation were available. If the situation is as my hon. friend describes it, for a short period of time it may be possible to cover that hiatus through continuation, but the matter is one that rests entirely with the CTC.

Mr. Barnett: I will discuss this at ten o'clock, Mr. Speaker.

* * *

• (2:50 p.m.)

CANADIAN BROADCASTING CORPORATION

PROGRAM INVOLVING HOMOSEXUAL MARRIAGE BETWEEN MALES

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, in the absence of the Secretary of State who reports to the House for the Canadian Broadcasting Corporation I should like to direct my question to the right hon. Prime Minister.

Mr. Hees: Take it easy, now.

Mr. Muir: My question deals with a program using taxpayers' money to be telecast tonight on the CBC and involving a homosexual marriage between two males. In view of the fact this is a half hour program in prime network time—

Mr. Jamieson: Do they need more time?

Mr. Muir: That is pretty good, Don. You must know something about it. May I ask the right hon. gentleman whether this program is intended as entertainment or propaganda?

Mr. Speaker: Order, please. I have very serious doubts about the way the question is asked. I would doubt that the hon. member would expect a reply to that question.

[*Later:*]

Mr. Speaker: The hon. member for Cumberland-Colchester North rises on a point of order.

Mr. Coates: Mr. Speaker, my question of privilege relates to the question asked by the hon. member for Cape Breton-The Sydneys of the Prime Minister with regard to a CBC program which is going to be produced tonight, has been advertised, and involves a so-called marriage between two homosexuals of the CBC—

Some hon. Members: Oh, oh!

Mr. Coates: Mr. Speaker, we have been laughing a lot about this and I can appreciate there might be something humorous in it were it not for the fact that the taxpayers' money is being spent on something that is vulgar and distasteful to almost every Canadian in this country.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I appreciate the point made by the hon. member but I think it is a point of argument. Perhaps the Prime Minister might be allowed to reply to the question but my thought was, and I think I was right, that the way the question was asked by the hon. member was by way of a protest in the same way as the hon. member for Cumberland-Colchester North is doing now. I do not want to be unfair. If the right hon. Prime Minister feels he should reply to the question he may do so.

Right Hon. P. E. Trudeau (Prime Minister): As the House knows, Mr. Speaker, when we introduced legislation on this subject it had to do with consenting adults in private. I am not quite sure whether television would be looking at that aspect of it. As one hon. member behind me said, maybe the whole thing is a fairy tale. I do not know.

Mr. Baldwin: It is more likely a catastrophe.

Mr. Trudeau: Mr. Speaker, may I point out to you that the member for Cape Breton-The Sydneys said to the Minister of Transport that he must know something about homosexuality. It would seem to me, Mr. Speaker, that this is the kind of slur which should be withdrawn by the hon. member.

Mr. Speaker: Order, please. It would appear that my original judgment might have been justified to some extent and that we might have left well enough alone. I think the hon. members really intended to raise the matter by way of protest and I think they have to assume that their protest has been noted.

Mr. Muir: On a point of order, Mr. Speaker.

Mr. Speaker: Is the hon. member rising on a question of privilege? The hon. member for Cumberland-Colchester North.

Mr. Coates: On the question of privilege, I still do not believe we have had a satisfactory answer from the government in this regard, Mr. Speaker.

Some hon. Members: Order!

Mr. Coates: I am sorry that the Secretary of State is not here because he is the logical person to make the CBC aware of the feelings of the House with regard to this program in prime family viewing time. I believe that the government should give an indication to the CBC that this House—

Mr. Speaker: Order, please. That, of course, is not a question of privilege. The hon. member for Cape Breton-The Sydneys is rising on a point of order. I would hope that after this, in the three minutes left, we might try to get two or three questions before we call orders of the day.

Mr. Muir: Mr. Speaker, I shall not have very much to say but I have a question of privilege. I can only say this to you, sir, that I have the highest regard for the Minister of Transport. In every way possible he is a real man—

Some hon. Members: Hear, hear!

Mr. Hees: Watch your fanmail now, Don.

Mr. Speaker: Order, please. I really think we might go on to another subject. It is my impression that this subject has been exhausted. Order, please. I do not think much can be gained by pursuing the matter. The hon. member for Cape Breton-The Sydneys has a right to raise a point of order or question of privilege, but I hope we can go on to other matters as quickly as possible.

Mr. Muir: I should like to finish my question of privilege, Mr. Speaker. All I can say is that if other hon. gentlemen across the way would take the Minister of Transport as an example with regard to his activities and his actions in this House we would have a better House and a better government. With regard to the utterances by the Prime Minister, I leave that—

Mr. Speaker: Order, please.

Mr. Muir: I have a question of privilege.

Mr. Speaker: Order, please. I thought the hon. member had expressed his question of privilege. I really suggest to the hon. member that he has made his point, and I wonder whether he would not agree that we are not helping the situation by prolonging the matter much longer.

Some hon. Members: Ten o'clock.

Mr. Muir: With regard to the utterances and actions of the Prime Minister, I leave that to the people of Canada to judge.

Some hon. Members: Oh, oh!

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[*Translation*]

AGRICULTURE

QUEBEC—REPRESENTATIONS TO FEDERAL GOVERNMENT—COMPENSATION FOR HOG AND EGG PRODUCER'S LOSSES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of Agriculture, but I have to wait until he has resumed his seat.

To a question which I addressed to him yesterday, the minister replied that he had not understood its meaning. I therefore gave him notice.

Here is my question: Has the Minister of Agriculture received from his Quebec counterpart a request inviting the federal government to compensate the loss of $16 million incurred by Quebec hog, egg and turkey producers over the last 12 months?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the Minister of Agriculture for Quebec has made some representations to me and has outlined the problem of

loss of income. I am not sure about the exact figures but in fact we already have some programs under way to help the situation with respect to eggs. We have also announced that there will be a program under the Agricultural Stabilization Act as soon as the figures for 1971 are available.

[*Translation*]

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

Mr. Speaker: Perhaps the hon. member will be able to put his supplementary in a few moments.

* * *

[*English*]

HARBOURS

VANCOUVER—SUGGESTED APPOINTMENT OF FARM REPRESENTATIVE TO PORT AUTHORITY

Mr. William Knight (Assiniboia): I have a question for the Minister of Transport. In view of the importance of the port of Vancouver to the prairie provinces, is the minister considering the appointment of a farm representative on the Port of Vancouver Authority?

Hon. Donald C. Jamieson (Minister of Transport): Not on the Port of Vancouver Authority, Mr. Speaker. As the new member is aware—I welcome him to the House; it is the first opportunity I have had to do so—there will be a national ports council on which all three prairie provinces will be represented and the governments of those provinces have to my knowledge already submitted names of the appointees.

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NATIONAL SECURITY

AUTHORITY FOR PAYMENT OF SPECIAL FORCE

Mr. Robert McCleave (Halifax-East Hants): I have a question for the Solicitor General and it may involve a question of parliamentary privilege. Under what authority is the special force headed by Colonel Robin Bourne paid since it seems to the opposition to have been set up since the estimates for the minister's department were presented and approved?

• (3:00 p.m.)

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Vote 1 of the estimates of my department, Mr. Speaker.

* * *

[*English*]

GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENTS—DATE OF REPORT ON INVESTIGATION—POSSIBLE PROSECUTIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to address a question to the Prime Minister. In view of the continuing interest in the subject of cabinet leaks, I would ask whether investigations are still being pursued, whether the RCMP are involved, and whether he has given any indication of a date by which he would like a report in this connection?

Right Hon. P. E. Trudeau (Prime Minister): The matter is still being looked into. There is no indication of any time at which any report might be made.

Mr. Alexander: In light of the fact that the investigation will more than likely point the finger at some person or persons, is it the intention of the government and the Prime Minister to lay charges against such person or persons who may be responsible for the leaks?

Mr. Speaker: Order, please. The hon. member will appreciate that the question is hypothetical at this stage.

Mr. Alexander: On a point of order, Mr. Speaker, may I take the opportunity to rephrase the question? Is it the policy of the government—

Mr. Speaker: Order, please. The hon. member sought the floor on a point of order but he merely wishes to rephrase the question. I shall allow him to do so in a moment. First, I shall recognize the hon. member for Palliser.

[*Later:*]

LEAKING OF CABINET DOCUMENTS—POLICY OF GOVERNMENT IN DEALING WITH OFFENDERS

Mr. Lincoln M. Alexander (Hamilton West): Supplementary to my last question, which was perhaps somewhat ill-phrased, I should like to ask the right hon. gentleman whether it is the policy of the government to lay charges against those who are responsible for leaks regardless of who he or she might be?

Right Hon. P. E. Trudeau (Prime Minister): I can hardly state the government's policy on this complex matter in answer to a question. As the hon. member knows, it is unlikely we would deal with a leak from a cabinet minister in the same way as we might in the case of somebody else, and it is unlikely we would deal with it in the same way if it were a member of the public who was infringing the Official Secrets Act. In other words, there are various ways of getting at someone who is responsible for a leak and I do not know in advance, without being specific on hypothetical cases, how I could say we would act.

Mr. Diefenbaker: One law for the powerful and another for the civil servants.

* * *

ENERGY

REQUEST FOR REPORT ON TALKS WITH UNITED STATES

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is directed to the Acting Minister of Energy, Mines and Resources. Has the government received a report on the energy talks in Washington last week from its officials who attended those talks, including Mr. Robert Howland, chairman of the National Energy Board?

Hon. Jean-Luc Pepin (Acting Minister of Energy, Mines and Resources): I had a very short conversation with Dr. Howland on these matters, but that particular phase was not summarized for me to any extent. I will inquire further.

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YOUTH

REQUEST FOR ESTABLISHMENT OF STANDING COMMITTEE—POSSIBLE REFERENCE OF EMPLOYMENT DIFFICULTIES TO COMMITTEE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is to the President of the Privy Council in his capacity as leader of the House. In light of a statement in the review issued by the Economic Council of Canada that young people are experiencing great difficulty in finding employment, and in light of statements by the Secretary of State over the weekend, will the hon. gentleman now give consideration to the formation in this House of a standing committee on youth?

Hon. Allan J. MacEachen (President of the Privy Council): As the hon. member knows, we are already complaining generally about the large number of committees and, in particular, about the large number of committees meeting during the busy periods of the session. It seems to me it should be possible to permit one of the existing committees to deal with the problems of youth, especially those related to their employment prospects.

Mr. Nystrom: Bearing in mind what the minister has just said, may I ask him whether he will undertake to refer problems concerning young people to one of the present standing committees of the House?

Mr. MacEachen: I will be happy to consider that idea.

* * *

AGRICULTURE

BEEF PRODUCTION—POSSIBLE INJURY TO WESTERN PRODUCERS BY ONTARIO PROGRAM—NEED FOR NATIONAL MARKETING LEGISLATION

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, my question is for the Minister of Agriculture. It relates to the newly-publicized provincial loan program to increase beef production in Ontario through the encouragement of cow-calf production. In the absence of national marketing legislation arrived at jointly between the government of Canada, the western provinces and Ontario, can the minister inform the House of any conversations now under way to determine the manner in which serious injury to the cattle industry in western Canada as a result of this new provincial policy might be avoided?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker. We have not held any discussions specifically concerning this policy. I think it is one which will probably be completely within the jurisdiction of the provincial government. However, I am sure the hon. member is aware that there was almost unanimous agreement by all provinces that we should get on with national enabling legislation.

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CANADA DEVELOPMENT CORPORATION

INQUIRY AS TO SALARIES OF PRESIDENT AND CHAIRMAN

Mr. Steven E. Paproski (Edmonton Centre): My question is directed to the Prime Minister, Mr. Speaker. Can the Prime Minister tell the House what salaries are being paid to the president and chairman of the Canada Development Corporation?

Mr. Speaker: I suggest to the hon. member that this question should be placed on the order paper. If there is urgency attached to it, it might be considered at the time of adjournment. The hon. member knows it is not normal to ask, during the question period, what salaries are paid to officials.

* * *

AGRICULTURE

PROMOTION OF EDIBLE OIL PRODUCTION FROM RAPESEED—DEVELOPMENT OF PROGRAM IN CONJUNCTION WITH OTHER PRODUCERS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. It is based on the announcement he made in the House earlier today. I should like to ask whether the government, in its promotion of greater production of edible oils, particularly from rapeseed, has developed its program in conjunction with other producers of edible oils in Canada, or whether it will be solving the problem in one area while creating further problems in others, as has been the case in so many instances?

Hon. H. A. Olson (Minister of Agriculture): I do not think this will create problems in other areas because, outside the use of rapeseed oil in Canada, almost all of the other oils are not produced in sufficient quantities in Canada to supply the domestic market. What we are primarily interested in is that the trade should be in a position to accommodate the health standards without too much economic difficulty.

RAPESEED—DETAILS OF ASSISTANCE TO PRODUCERS

Mr. A. P. Gleave (Saskatoon-Biggar): Would the Minister of Agriculture clarify the type and quantity of assistance to rapeseed producers and what is actually involved so the House will know that it is not a subsidy proposition and so that hon. members will know the extent of what is aimed at in the statement he made in the House today?

Hon. H. A. Olson (Minister of Agriculture): I would be very happy to do that. I wonder if I might have another ten seconds. When I come into the House with a statement which contains a great deal of detail, the opposition ojects; when I do not bring in enough they still object.

Mr. Speaker: Order, please. Orders of the day.

• (3:10 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT

The government resumed, from Monday, November 29, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendment to that act—Mr. Benson—Mr. Laniel in the chair.

On clause 1—Section 167: *Application to Review Board for time extension.*

The Deputy Chairman: Order. I invite hon. members who may wish to leave the chamber to do so as quickly as possible in order that we can proceed to the work of the committee.

In accordance with the statement of the President of the Privy Council, as recorded at page 9992 of *Hansard* of November 29, the committee will now resume consideration of sections 167 and 168, 169 to 180 inclusive, followed by part XV and part XVI, sections 220 to 247 inclusive. I must bring it to the attention of the committee that section 166 has been agreed to. The committee has an amendment to section 167 before it, proposed by the hon. member for New Westminster, as indicated at page 9664 of *Hansard*.

Shall the amendment to subclause 167 carry?

Some hon. Members: Carried.

The Deputy Chairman: Shall I put the amendment again?

Mr. Gray: Mr. Chairman, would you inform us which clause you are calling at this point as it is difficult to hear. Is it 167?

The Deputy Chairman: I appreciate the point made by the hon. member. There has been quite a bit of noise while going into committee and I would invite hon. members to let the committee proceed as quickly as possible with the study of the clause in front of us. If any hon. members wish to have personal conversations, I think these should be carried on behind the curtains. It is very difficult, even for the Chair, to hear what is being said. The committee is studying clause 167 at this time and the question is on the amendment moved by the hon. member for New Westminster, which reads as follows:

That subsection (1) be amended by the deletion of the words "because of the death, incapacity, sickness, or bankruptcy of a taxpayer".

And that the same words be deleted from subsection (4).

Is the committee ready for the question?

[*Translation*]

Mr. Béchard: Mr. Chairman, hon. members will recall that the last time we dealt with that section, the hon. member for New Westminster (Mr. Hogarth) wanted it to be amended because it was a little restrictive and would be unfair under certain circumstances. For instance, should the secretary forget to send the letter or the notice required, this could cause a wrong to the taxpayer. This is why the hon. member for New Westminster had moved that amendment which is acceptable and approved by the government.

With the committee's permission I would like to read the government's amendment to section 167.

The Deputy Chairman: Order. Does the Parliamentary Secretary suggest that the first amendment be withdrawn with the unanimous consent of the House because the government wants to move another one?

Mr. Béchard: Mr. Chairman, I suggest that it be withdrawn because the government's proposed amendment meets with the hon. member's wishes.

[*English*]

The Deputy Chairman: The parliamentary secretary is suggesting that the government has an amendment to replace the amendment moved by the hon. member for New Westminster. This can only be done either by voting on the amendment or withdrawing it by unanimous consent. Does the committee give unanimous consent to allowing the hon. member for New Westminster to withdraw his amendment?

[*Translation*]

I wish the Parliamentary Secretary would tell me whether the hon. member for New Westminster agrees that his amendment be withdrawn.

Mr. Béchard: Mr. Chairman, the hon. member for New Westminster, is aware of the government's amendment. He agrees to withdraw his own amendment.

[*English*]

The Deputy Chairman: Does the committee give unanimous consent to the withdrawal of the amendment moved by the hon. member for New Westminster?

Mr. Aiken: Mr. Chairman, if the hon. member for New Westminster is prepared to withdraw his amendment, then I see no objection to that course.

[*Translation*]

Mr. Béchard: Mr. Chairman, is it the wish of the committee that I read the government's proposal?

[*English*]

Is it the wish of the committee that I read the government's amendment?

[*Translation*]

The Deputy Chairman: Order, please. If the parliamentary secretary only wants to read his motion, the Chair will allow him to do so, but he cannot move another amendment until the amendment which is now under study has been withdrawn. Perhaps the parliamentary secretary might read his amendment for the information of hon. members.

Mr. Béchard: I am sorry, Mr. Chairman, but my understanding was that the committee had agreed unanimously, following consent of the hon. member for New Westminster.

The Deputy Chairman: Order, please. The Chair was under the impression that the hon. member for Parry Sound-Muskoka (Mr. Aiken) wanted clearer confirmatin of the desire of the hon. member for New Westminster to

withdraw his amendment, and I think that the only way that we are going to make any progress is to put the question again.

Does the committee agree to the withdrawal of the motion of the hon. member for New Westminster?

[*English*]

Does the committee give unanimous consent to allowing the hon. member for New Westminster to withdraw the amendment that is before the committee?

Mr. Aiken: Once again, Mr. Chairman, I think the hon. member for New Westminster should stand in this House and indicate his consent to its withdrawal. I have no objection at all to that being done if that is his wish, but I think it would be up to the hon. member to indicate that he is prepared to withdraw his amendment.

[*Translation*]

Mr. Clermont: Mr. Chairman, I am told that the hon. member concerned is not here today. However according to the statement made by the hon. member for Bonaventure-Îles-de-la-Madeleine the hon. member for New Westminster has agreed to withdraw his amendment.

The Deputy Chairman: The hon. parliamentary secretary knows that this amendment can only be withdrawn with the unanimous consent of the House. If the hon. member for Parry Sound-Muskoka maintains his objection there will be no other solution for the committee than to discuss that amendment and to vote on it.

[*English*]

The Chair is inviting hon. members to co-operate, and to give the Chair guidance, so we can come to a quick decision and proceed with the work of the committee.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I believe the hon. member for Parry Sound-Muskoka is quite correct in saying that an amendment can be withdrawn only if the mover so requests. However, I think the hon. member would agree with me that if any member of the House can stand and say that he is so doing on behalf, and with the approval, of that hon. member, then we can accept it. I believe that what bothers us up to this point is that we have had vague statements on the part of certain hon. members opposite that the hon. member for New Westminister will agree to this but that is all. If we can have a firm statement from an hon. member that he is doing it at the request of the hon. member for New Westminister, then I believe we would accept it.

• (3:20 p.m.)

[*Translation*]

Mr. Béchard: Mr. Chairman, I cannot say that the hon. member for New Westminister has explicitly authorized me to withdraw his amendment.

However, after proposing his amendment the hon. member for New Westminster had a talk with the Minister of Finance (Mr. Benson) and agreed to accept the proposal of the department.

In order not to delay the proceedings, I would suggest that the clause be allowed to stand.

[*English*]

Mr. Knowles (Winnipeg North Centre): In that case, Mr. Chairman, I do not think the amendment should be withdrawn at this point. After all, we have to protect every member in this respect. Either the matter stands and we move to something else, or the amendment will have to be put to a vote. If the government wants it defeated, it can soon defeat it, so why not call the vote?

Mr. Béchard: That is what I said, Mr. Chairman, that the amendment should stand.

Mr. Aiken: Let us vote on it now and get it out of the way.

The Deputy Chairman: Order, please. The Chair cannot accept the suggestion made by the parliamentary secretary that the amendment stand. If the government wishes to suggest to the committee that the clause be stood, then the Chair would have no objection.

[*Translation*]

But I must point out to the hon. member that it is quite difficult for the Chair to suspend the debate on this amendment and let the government introduce another one on the clause now under consideration. If the government is ready to allow clause 167 to stand, I think that it would be acceptable to the committee.

[*English*]

Some hon. Members: Question.

The Deputy Chairman: The question is on the amendment moved by the hon. member for New Westminster (Mr. Hogarth).

Amendment (Mr. Hogarth) negatived on division: Yeas, 23; Nays, 50.

The Deputy Chairman: I declare the amendment lost.

Mr. Gray: Mr. Chairman, I think it should be made clear that in voting against the amendment we just disposed of we are not opposing—

Mr. McCleave: On a point of order, Mr. Chairman—

The Deputy Chairman: Order, please. Probably the Chair was just about to do the same thing the hon. member is attempting to do. The minister knows he is not allowed, under the Standing Orders of the House, to comment on any vote taken previously.

Mr. Gray: Your point is well taken, Mr. Chairman. It is my intention to comment not on the vote but on the point of view expressed by the hon. member for New Westminster. Because his point appeared to have validity, we are prepared at this time to move an amendment which we think will give recognition to the point of view he has expressed. I should like at this time to move the following amendment:

That section 167 as set forth in clause 1 of the said Bill be amended

(a) by striking out lines 14 to 26 on page 441 and substituting the following:

Application to Review Board for time extension

167. (1) Where no objection to an assessment under section 165 or appeal to the Tax Review Board under section 169 has been made or instituted within the time limited by section 165 or 169, as the case may be, for doing so, an application may be made to the Tax Review Board for an order extending the time within which a notice of objection may be served or an appeal instituted and the

Board may, if in its opinion the circumstances of the case are such that it would be just and equitable to do so, make an order extending the time for objecting or appealing and may impose such terms as it deems just.

(b) by striking out lines 1 to 13 on page 442 and substituting the following:

Application for time extension to Federal Court

(4) Where no appeal to the Federal Court of Canada under section 172 has been instituted within the time limited by that section, an application may be made to the Federal Court of Canada by notice filed in the Court and served on the Deputy Attorney General of Canada at least 14 days before the application is returnable for an order extending the time within which such appeal may be instituted and the Court may, if in its opinion the circumstances of the case are such that it would be just and equitable to do so, make an order extending the time for appealing and may impose such terms as it deems just.

The Deputy Chairman: The committee has heard the amendment moved by the Minister of National Revenue. Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Gray) agreed to.

Clause 1, section 167 as amended, agreed to.

Mr. Aiken: Mr. Chairman, just as a matter of clarification I understood there was another amendment. It may have been disposed of, but there was, according to my recollection, an amendment to section 167 subsection 1 to the effect that the words "because of the death, incapacitating sickness or bankruptcy of a taxpayer" be struck out. Perhaps we disposed of this amendment. If so, I stand to be corrected. However, it was my recollection that this amendment was before the committee.

Mr. Béchard: Mr. Chairman, we just disposed of that amendment a while ago. It was included in the amendment of the hon. member for New Westminster.

Mr. McCleave: Mr. Chairman, may I speak on this matter? I believe it is rather important. What happened was that the amendment which came before the House had certain underlined words in it. I suppose it could be said that the underlined words in the amendment moved by the minister replaced the phrase referred to by my hon. friend, but the fact is that most members of the committee could, if faced by the wording of the amendment referred to by the hon. member for Parry Sound-Muskoka, really be caught by surprise.

Admittedly, I can see that the words being added are intended to cover the words being struck out, but we have had sort of half the loaf presented and the other half not presented. I do not know whether this is really a good point of order but it probably illustrates better than anything else the difficulties that can be encountered when trying to deal in a body of 264 people with a complicated act which affects over 22 million people.

[Mr. Gray.]

The Deputy Chairman: Order. The hon. member knows the Chair can only abide by the decision of the committee. The question was on the amendment of the hon. member for New Westminster and that was defeated. Perhaps the best solution to this problem might be for the hon. member to move an amendment which would clarify the proposal he wishes to take. This course is open to all members of the committee. The Chair cannot give direction. As I said at the beginning of my remarks, the Chair can only abide by the decision of the committee.

Mr. Aiken: Mr. Chairman, I just rise to say I was under the impression there had been another amendment, but I am assured there was not, and therefore we can proceed with this clause.

The Deputy Chairman: Perhaps on this particular point of order I might bring to the attention of the hon. member for Parry Sound-Muskoka the fact that there was an amendment to section 167 in respect of the French version. It was adopted on November 17, 1971.

On clause 1—Section 168: *Notice of intention to revoke registration.*

Mr. McCleave: Mr. Chairman, may I say a few words on this section? Perhaps I might ask the parliamentary secretary for an explanation, because this deals with the machinery to be set up within the government to revoke the registration of Canadian charitable organizations. This section is not intended to apply to a request being made by the organization in extremis, I presume, but when it ceases to comply with the requirements of this act for its registration as such under (b). Is there any procedure by which the organization could, in effect, take issue with the minister if he decides that it has failed to comply with the requirements of the act for its registration, and what would that procedure be?

• (3:30 p.m.)

Mr. Clermont: I will refer the hon. member to section 172 (3).

The Deputy Chairman: Shall section 168 carry?

Some hon. Members: Agreed.

Section agreed to.

Clause 1, Section 169 to 171 inclusive agreed to.

On Clause 1—Section 172: *Appeal.*

The Deputy Chairman: The committee will now study section 172, to which there is an amendment that was moved by the Minister of National Revenue on October 22. Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 172 as amended carry?

Mr. Aiken: No, Mr. Chairman. I have several points to raise in connection with section 172, having disposed of the other sections fairly rapidly. I propose to move an amendment, unless the point that I wish to raise is covered. The first point relates to section 172 (3) which states that where the minister refuses to register an applicant,

there is a right of appeal. What I am asking is why this right of appeal is not broad enough to cover almost all cases. Why is it limited to just this one? I know that there are several other situations in which a minister might very well refuse to do what is expected of him and in that case there would be no appeal unless it was covered by (a) (b) (c) and (d). I would like to ask why it is limited in this way.

[*Translation*]

Mr. Clermont: Mr. Chairman, to my mind section 172 (3) which the hon. member mentioned covers more than appeals dealing with charitable donations.

Here are a few cases where one can appeal the decision of the minister: first, when the minister refuses to register a charitable organization under subsection 168(1); second, when he refuses to register an amateur athletic association; third, when he proposes to revoke the registration of a charitable organization or an amateur athletic association; fourth, when he refuses to register a retirement savings plan; fifth, when he refuses to register a profit sharing plan; sixth, when he refuses to issue a certificate of exemption under subsection 212 (13). In all those cases, one must appeal to the Federal Court of Canada.

[*English*]

Mr. Aiken: In connection with the same problem, the appeal envisaged under section 172 (3) is to the court of appeal rather than to the trial division. It seems illogical in a case such as this that people should have to go through the procedure of going to the court of appeal as if they had already had a trial on the issue before a judge in the first instance. Courts of appeal require the transmission of documents, evidence, and so forth, and in most cases a factum that will allow the three judges to consider all the evidence, but in fact there will have been no preliminary decision on the problem. This results in two things: first, the appellant will have difficulty in finding out exactly what the minister decided and for what reasons, and second, it will be an expensive proposition to go to the court of appeal rather than to the trial division. This point has been raised in the submission made by the Canadian Bar Association, and I would be very loath to argue with them on this point. I imagine that the submission of the Canadian Bar Association on this particular point was made to the minister and I wanted to ask whether the point has been considered. If it has, and has been rejected, I would like to know why.

[*Translation*]

Mr. Clermont: Mr. Chairman, the Minister of Finance (Mr. Benson) has received a copy of the brief of the Canadian Bar Association. I am not now in a position to comment the remarks of the hon. member for Parry Sound-Muskoka.

[*English*]

Mr. Aiken: The hon. member has just pointed out one of the difficulties we are encountering in the committee in dealing with this bill. I do not wish to show any disrespect for the parliamentary secretary, who is doing his best to pilot this bill. I cast no aspersions on the parliamentary secretary to the Minister of Finance who has on other occasions been here, nor do I cast aspersions on the adviser who is before him, but I want to point out to the committee that our problem is that the minister is not able to be present to pilot this bill through, and we cannot get any definitive answers. I do not blame the parliamentary secretary. I know he is doing his best, but not only has he difficulty in making responses but he is also in the impossible position of being unable to make any commitments, or accept any amendments, or take unto himself the powers that a minister, piloting a bill through Parliament, ought to be able to exercise. This has caused a lot of the delay in passing the various sections.

• (3:40 p.m.)

[*Translation*]

Mr. Clermont: Mr. Chairman, the Minister of National Revenue (Mr. Gray) should be back in a moment. He was called outside the House, but he will soon return.

Mr. Béchard: Mr. Chairman, there is nothing new here. The hon. member who is a distinguished member of the Bar knows that administrative decision-making follows the appeal procedure rather than the method he described earlier.

[*English*]

Mr. Aiken: Mr. Chairman, I may have been diverted, but I want to know whether the suggestion of the Canadian Bar Association has been considered by the Minister of Finance. Has he rejected it and, if so, why? I do not think the Minister of National Revenue could help us very much. Unless he has been concerned with the bill daily, he would be unable to answer this question. I will let this matter stand for a moment because I do not want to be unduly difficult about it. I shall go on to the other subsection on which I intend to be difficult, dealing with time limitations for appeals.

Under this subsection, if a person files an application for registration, or for any of the other things covered here, and if the minister does not make a response to it, then there is nothing from which to appeal. As it is, it takes long enough to have an appeal heard and go through all the procedures that are set out in the legislation. By refusing to give a decision, the minister can divert an appeal. It is the old story, that justice delayed is justice denied. An organization may apply for registration as a charitable organization, an amateur athletic association, or something of that sort. If it gets no response to its application, there is nothing on earth it can do about it.

The organization cannot appeal against rejection because its application has not been rejected. The applicant is placed in an impossible position. This is similar to the type of question raised by the Canadian Bar Association. There should be a time limit within which the minister must either refuse or accept an application, and if the application is not dealt with in the time spelled out, the applicant should be able to proceed as if the application has been rejected. He would then be able to go ahead with his appeal and try to get some answers from the courts that he could not get from the minister.

I wish to move an amendment providing for the addition of a subsection (4), but before doing so I would like to ask if anyone sitting opposite can tell me why there should not be a time limit within which the minister must reply to an application.

[*Translation*]

Mr. Béchard: Mr. Chairman, if the minister refuses to take action or to arrive at a decision along the lines mentioned by the hon. member for Parry Sound-Muskoka, one could ask the Federal Court to issue a writ of *mandamus* against the minister, depending upon the circumstances.

[*English*]

Mr. Lambert (Edmonton West): A writ of mandamus?

Mr. Béchard: Yes.

Mr. Lambert (Edmonton West): If they cannot have bread, let them eat cake.

Mr. Béchard: Pardon?

[*Translation*]

Mr. Lambert (Edmonton West): If they cannot have bread, let them eat cake.

[*English*]

Mr. Aiken: Mr. Chairman, surely these obscure procedures are not the kind that you would ask a Canadian charitable organization or amateur athletic association to go through—mandamus applications? In many cases the minister could appear before the court on such an application and say, "We are still looking into the matter." In this way the application could be stalled. In order to get the matter before the committee and on the record I move:

That clause 172 be amended by the addition of a new subclause—

(4) The Minister shall be deemed to have refused any application under 3(a), (b), (c) and (d) above, if he has not notified the applicant of his disposition thereof within six months after the date of submission of the application.

The Deputy Chairman: Shall the amendment carry?

Mr. Aiken: Mr. Chairman, I would first like to say that I think this amendment is reasonable. Some of my colleagues suggest I am being quite generous with the minister in allowing him six months in which to consider and decide on an application. They say 90 days would be enough, but what I am trying to do is simply close this loophole because it will cause some difficulties in the future. Through this bill we are trying to give the public a bit of a break; at least, that should be our objective. It certainly is the objective of the official opposition, and I am sure the government would say it has the same objective.

Here is a straightforward amendment. I cannot see any reason it should not be accepted. If the minister has not decided on an application within six months, he will be deemed to have refused it. I could have worded the amendment so that he would be deemed to have accepted the application, and then it would be up to the minister to appeal. But I am not trying to cause administrative difficulties for the department. I am merely saying, "You have to make a decision on an application within six months and, if you don't, then there is ground for appeal as if you had refused it; the people involved can take their appeal before the courts." I do not have much more to add. I think the request is reasonable. It would not change the substance of the section and, if accepted, would make this provision much more clear for the average individual who wants to have an appeal heard but who is fed up with waiting. It would provide a definite time limit. I think that all those on the government side of the committee will concede this is a reasonable amendment.

• (3:50 p.m.)

Mr. Lambert (Edmonton West): Mr. Chairman, may I just add my support to the general thrust of the amendment proposed by my colleague. I think that the parliamentary secretary gave a very poor answer when he said that in cases of this kind a writ of mandamus is available. It seems to me that is a most cavalier attitude to display towards the taxpayer. There is one criticism of the amendment. Frankly, it gives the ministry too long a period in which to make up its mind with regard to registration under section 172(3)(a). I am referring to its right to refuse registration of an application or to revoke a registration, all of which is quite properly provided for in the bill. You know, people learn different things around Ottawa, and one of those things is that what are usually set out as maxima become minima. I would think that a 90-day period would be more than ample for determining whether a charity is a proper charity or whether some application should be accepted, refused or a registration revoked. Ninety days should be the limit, and from there on any remedies available should be open to a taxpayer.

[*Translation*]

Mr. Clermont: Mr. Chairman, may I suggest to the hon. member who has moved the amendment that, for the time being, proceedings should be delayed for a few minutes in order to give the Minister of National Revenue the opportunity to get a copy of the amendment which we do not have at present.

[*English*]

The Deputy Chairman: Shall section 172 stand?

Some hon. Members: Agreed.

Clause 1—Section 172, stands.

Clause 1—Section 173, agreed to.

On Clause 1—Section 174—*Reference to Federal Court or Tax Review Board of common questions.*

Mr. Aiken: Mr. Chairman, section 174(1) reads:

Where the Minister is of the opinion that a question of law, fact or mixed law and fact is common to assessments in respect of two or more taxpayers, he may apply to the Tax Review Board or the Federal Court—Trial Division for a determination of the question.

I think I understand the reasoning behind the section. In cases where the minister is in some doubt about whether a ruling involving, say, three different people who have brought forward similar cases, is right, it would be quite logical, I think, for him to take advantage of the section, refer the matter to the courts, and get the taxpayer to put his argument forward before the court. However, I think in this particular case the taxpayer should consent to that proposition, because we will not go to court unless he wishes to go. He may find himself in the position that the minister is appealing for him a case which he, the taxpayer, would just as soon let drop. Surely, the taxpayer should have the right to decide what he wants to do.

Second, the taxpayer may feel that his case is different from the one involving the other people, and that the cases should not be tried together. I am, therefore, suggesting that section 174 should only come into effect with the consent of the taxpayer and that the decision should not rest solely with the Minister of National Revenue. I think it is most likely, in situations like this, that the taxpayer would consent; after all, he will need to pay only a portion of the costs of obtaining counsel and taking the matter to appeal. I am suggesting that the section should be invoked only with the consent of the taxpayer, and the decision should not rest solely with the minister. May I have some comment on this? I think it is a reasonable request. I have not prepared an amendment yet on this particular section, but I might be prepared to do so if there is not a reasonable response.

Mr. Lambert (Edmonton West): Mr. Chairman, while I am addressing a few remarks to the Chair and to the minister, perhaps my colleague will consider whether he wishes to submit an amendment. I share his apprehension. I do not think that the minister should have the sole determination of whom the parties shall be in this, shall we say, reference to either the Tax Appeal Board or the Federal Court, Trial Division. It is a well known axiom, and it is provided for elsewhere in the act, that there must be no riding in on coat tails. In other words, one taxpayer cannot sit idly by and let another taxpayer bear the brunt of litigation, either before the Tax Appeal Board, the Federal Court, Trial Division, or a higher court, in the possible anticipation that the result will be favourable to the original litigating taxpayer. Otherwise, once the litigant taxpayer has obtained a satisfactory decision from the tribunal, the chap who has sat idly by could ride in and make a claim as well, without having shared or borne any risk or cost and I do not think that this is right.

However, in this particular case it is the minister who has discretion as to whom he may join and whom he may put aside and keep out of the case. It may be that the taxpayer in question has not had the opportunity of knowing that the minister will start proceedings against someone else. It seems to me that there has to be some protection for a taxpayer who has been excluded, but who should have been included by the minister. You will have it either one way or the other. Either the minister's discretion to join certain parties shall be challengeable in one way or another, or the exclusion by the minister from the proceedings shall not operate to the prejudice of the claim of a taxpayer who has a common basis for the assessment. I know this is a rather fine point, but I suggest that we must provide justice on both sides of the street, shall we say. The minister is entitled to do something. I fully accept the proposition that the minister should have some rights in regard to these matters; but then, I think the taxpayer has certain rights, too. The prerogatives are not entirely with the minister.

• (4:00 p.m.)

Mr. Gray: Mr. Chairman, I think the last two members who have spoken have raised some very useful points with regard to this section. First of all, I would submit to the committee that the hon. member for Parry Sound-Muskoka is attempting to give the wording of the section a wider meaning than is in fact intended. I would suggest that the wording of the section in effect, provides that the jurisdiction given would be circumscribed in that there must be a common question in fact and law, and not merely a similar question, in order for the minister to take the action intended under Section 174(1).

Also Mr. Chairman, may I submit that if one looks at Section 174(2) and (3) I think it would be apparent from the wording that a taxpayer who is included in a notice from the minister would not therefore automatically be bound by a decision of the Tax Review Board or a Federal Court but rather, if I may use the wording of the section, the Tax Review Board or the Federal Court would have to be satisfied:

> —that a determination of the question set forth in an application under this section will affect assessments in respect of two or more taxpayers who have been served with a copy of the application and who are named in an order of the Board or the Court, as the case may be, pursuant to this subsection, it may
>
> (a) if none of the taxpayers so named has appealed from such an assessment, proceed to determine the question in such manner as it considers appropriate, or
>
> (b) if one or more of the taxpayers so named has or have appealed, make such order joining a party or parties to that or those appeals as it considers appropriate.

I would think from this, Mr. Chairman, that it is open to a taxpayer who receives a notice to go to the Tax Review Board and make his case that he should not be included in any determination of the question referred to the Board by the minister because the question is not a common question of fact and law.

To conclude, Mr. Chairman, I think that the hon. members who have just commented on this section have raised points which are certainly worthy of consideration, but I respectfully submit that the wording of the section does, in effect, deal with the matters of concern.

Mr. McCleave: Mr. Chairman, I think we have a rather important point here, because of the changes that are being brought about in the Income Tax Act, so I should like to present for the consideration of the minister the following suggestion. He has mentioned that under Section 174(1) it is a question of law or mixed law and fact common to assessments in respect of two or more taxpayers.

Let us consider the example discussed earlier under a subparagraph which was passed, and which may have a great deal of relevance to thousands of people across Canada, namely the travelling salesman who is provided with the use of a company vehicle. The first four or five travelling salesmen in the fray, who have a question of law or mixed law and fact common to themselves and also common to several thousand other travelling salesmen who have not entered the fray, may be blazing the trail to try to find out exactly what the law is on this point. I wonder why the minister, or whoever drafted the bill, did not make this provision broad enough to include an association of travelling salesmen or an association of this, that or the other type of taxpayer with common interests who could raise questions before the court. Was any consideration given to the approach of not really dealing with the numbers of taxpayers but dealing with the class or kind of taxpayer?

Mr. Gray: Mr. Chairman, the hon. member has also raised a useful point. I think he is right in saying, and I am so advised, that associations of the type he had in mind would not be covered by the sections we are studying. I think the reason is that there is quite a difference of opinion among people in the type of associations he has in mind about whether they should be bound by action taken allegedly on their behalf by the association—perhaps a professional association. It was thought, therefore, that for the time being we would not attempt to resolve this question.

If I may have the floor for another moment with your permission, Mr. Chairman, and if I am out of order I know you will bring me to order. We had asked that Section 172 stand so that we could have a chance to read the wording of the amendment proposed to it by the hon. member for Parry Sound-Muskoka. We have now read the wording and we would certainly like to give further consideration to the point he has raised. It may be that something could be considered in the area he has suggested, but at the very least we will have to give further consideration to the wording and so on. I should like to inform the committee and the hon. member of this and ask the consent of the committee that this section continue to stand, not simply to allow a reading of the hon. member's amendment.

Mr. Lambert (Edmonton West): Mr. Chairman, I hope the minister does not feel at all put out that we are questioning rather closely on this particular group of sections. If he will examine Bill C-259, he will see that, according to the explanatory notes, all of the paragraphs in these sections are new. These are new sections, so I think we would be remiss if we did not question them very carefully. After all, if there had been prior experience with this type of legislation we could say that it had been working out fairly well in the past, but this is all brand new. The point made by my colleague from Parry Sound-Muskoka is just one example.

The other point I have to make, and I would like the minister to take it under careful consideration, is one that is quite relative to this section. It is very much on all fours. I refer to the section which gives the minister, and I repeat, which gives the minister a discretion in joining of parties properly qualified as to communion of circumstances. If, as a result of the exercise of that discretion, a person who should have been included in the action is thereby excluded, this exclusion should not operate to that person's prejudice. That is what I want, justice for the minister and justice for the taxpayer.

I should like the minister to take that point under advisement so that there are not people who are simply told "Look, old boy, we did not join you; perhaps we should have, but the fact is we did not". There is another rule which says, because you were not a party to the action or you did not take any formal steps such as filing a notice of appeal or an application to be joined to the action, you are thereby precluded from any benefit of the court's decision. I think that would be terribly wrong.

Mr. Gray: Mr. Chairman, I agree with the hon. member that these sections are very important. I think that the hon. member can infer from responses not only by myself but by the parliamentary secretaries who are speaking on behalf of the government on this subject, that we are trying to listen very carefully to the points raised, and to give them reasonable consideration. I can only repeat the points I made when I last spoke a few moments ago on the section.

• (4:10 p.m.)

First, I would think there is recourse for people who are mentioned in the notice and who think they should not have been mentioned. But I hope the hon. member's point is somewhat different—that it deals with people who are not joined in the notice but who would like to be joined. It would seem to me that the recourse for them would be to have the matter disposed of through an appeal directed to their own particular case, and this could be done without altering the section in any way.

Mr. Lambert (Edmonton West): Perhaps I see a glimmer of the solution to the problem I have posed. Under paragraph (b) of section 174(3) the tribunal is given power to join a party who was not originally a party to the appeal.

> If one or more of the taxpayers so named has or have appealed . . . the review board or the federal court . . . may make such order joining a party or parties to that or those appeals as it considers appropriate.

It seems to me it is within the practice of the tribunal in dealing with the conduct of its affairs to provide for a simple form of notice in which a taxpayer can say to the board, in effect, that he has heard that a certain case is to be tried, that he has a case which is comparable, and he would like it to be heard also. It could all be done in very simple language, and a solution might be devised by way of regulations covering either or both tribunals.

Mr. Aiken: My hon. friend from Edmonton West and I have approached the same problem from different directions. I did not find the response of the minister satisfactory from my point of view. I have read through the subsections (2), (3) and (4) in the light of the hon. gentleman's remarks, and I still feel that a taxpayer who does not particularly wish to be drawn into a case with another taxpayer is left without any real remedy. The subsection provides that his case can be joined and makes a decision on his assessment final. It is as simple as that.

I can think of a number of cases where the consequences would be undesirable. For example, a fraudulent or scandalous aspect might arise in connection with a particular tax case, and one of the taxpayers may have no connection whatever with those particular circumstances or with those concerned—he just happens honestly to be in a similar situation. He may wish very much to dissociate himself from the publicity which might attach to that case. It is possible that such a case might become a matter of public interest, that the press would take it up, believing there was a real story in the events behind the scenes. Another person in a similar situation might well have no desire in the world to be associated with those circumstances. Yet he might have been unfortunate enough to have come along at the same time and to have been forced into becoming a party to the appeal.

Then again, a taxpayer may feel that his situation is not, in fact, similar. He may believe there are other points of fact or of law which he needs to make. It do not feel that the review board or the federal court could in fact deter-

mine whether this was so or not without going through the whole case. I can see no reason for a taxpayer being forced into a court case to which he does not want to be a party. I can advance a dozen reasons, and I have already given two examples. He does not want his appeal to be tied to the appeal of someone else. This would only seem to be fair to the taxpayer.

All I would propose at the moment, and I am putting this forward for consideration by the minister, is that if, in fact, a person can separate himself from the appeal of another taxpayer, and the government agrees this can be done, it should be spelled out in the bill. My proposal would be that the words "with the consent of such taxpayers" be inserted in section 174(1) in line 43 on page 446. The subsection would then read that the minister, in respect of two or more taxpayers, and so on, might, with the consent of such taxpayers, apply to the tax review board or to the federal court, trial division, etc. As the section stands I do not think the exception in subsection (3), in accordance with which the review board or the federal court has to decide that cases are similar, is sufficient protection for the public. I have prepared an amendment to this subsection, but before putting it I should like to know whether the minister is unequivocally opposed to my proposition. I cannot see any reason he should be.

• (4:20 p.m.)

Mr. Gray: Mr. Chairman, I can see the hon. member's point of view. It seems to me that the wording of the section before us does not fail to meet his point to the extent that he suggests. First of all, I think he will agree that the final word on whether there is a common question of law, fact, or mixed law and fact is not that of the minister but that of the Tax Review Board or the Federal Court. Of course, this provides a further opportunity for the taxpayer in question to make his point that he should not be included in the matter.

Second, the hon. member has spoken of a similar question of fact; if I am not mistaken, he did use the word "similar". Again I submit that the jurisdiction intented by the clause is already circumscribed by the existing wording in that there must be a common question of fact or law and not a similar question.

If I may take a moment I should like to give the committee some idea of the type of case intended to be dealt with in this section. For example, it is contemplated that the section could be used in those cases where there is a dispute as to whether amounts paid or received have been paid or received as alimony. For example, under section 56 an amount received by a taxpayer as alimony is required to be included in his income, and under section 60(b) the amount so paid as alimony may be deducted in computing the income of the person who made the payment.

In many cases of payments between former spouses there is often an irreconcilable difference of opinion as to whether moneys paid, say, by the husband to the wife are payments on account of alimony. In such cases, the revenue authorities are basically indifferent to the resolution of the dispute provided it is one that applies both to the person who has made the payment and the person who has received the money. I use this as an example of the type of situation to which it is intended this section should apply.

I might also point out that if the wording of the hon. member is included in an amendment to section 174—I think the wording he suggested is "with the consent of the taxpayer"—I am advised that, in effect, section 174 would be really no different from section 173, with which I think we have just dealt. That section provides that where a minister and the taxpayer agree in writing that a question of law, fact, or mixed law and fact arising under the act should be determined by the Federal Court, the question shall be determined by the court, and so on. This section we are presently studying is intended to deal with a somewhat different situation.

Mr. Aiken: That is rule 75(c).

Mr. Gray: However, as I say, I can see the hon. member's point of view, and if he would let us see his wording, and the committee consents to standing the clause for a period, we are prepared to give the matter some further thought.

Mr. McCleave: Mr. Chairman, I mentioned the point I am going to raise to the hon. member for Parry Sound-Muskoka and he was kind enough to yield me the right of way. I should like to raise this question with the minister and his officials so they will consider it along with the matters raised by my hon. friend from Parry Sound-Muskoka.

My point can be briefly expressed. Canada is a very large country and to notify a taxpayer in, say, Halifax that he has the same problem as a taxpayer in Midland or in Edmonton might work some injustice. These people could be stuck with journeying to courts situated far away from their own territory in order to join in a common front against the Department of Finance and the Department of National Revenue.

I have read section 174 on three or four different occasions, and it does seem to me that the powers being given are a little too broad in that no regard is had to the fact that a taxpayer might be put to more expense than a case was worth. For example, a taxpayer might be put in a position where he has to say he will not go to Toronto to argue a case since it will cost him $500 to do so, whereas the point at issue could be settled for, say, $300. This might sound like a very technical objection, but I think it is a valid one given the wide geographical spread of Canada.

Mr. Aiken: Mr. Chairman, I am quite happy to have the minister consider this amendment. I should like him to consider this additional matter at the same time. He pointed out that we have just passed section 173 which deals with doing things by consent. He said this provision would cover the situation to which I was referring. But what I am trying to prevent is this. I have no objection to the provisions in section 173 where the parties agree that there shall be an appeal presented, but I do object to a situation where the parties say they will not agree and then the minister comes along and says they will have to go to court anyway because they are going to be added under section 174. This is rule 75(c) of the House of Commons rules being repeated in the Income Tax Act. The

minister is saying that he will give the taxpayers one chance to come in by consent, and that if they do not come in under section 173 he will bring them in under section 174. I do not generally agree with rule 75(c), and I do not agree with its being repeated in this bill.

I also do not know why, if the minister so desired and he had a number of cases of a similar type, the minister could not submit one of the cases as a model case to the court for the court's opinion. But regardless of the other things that he should or should not do, I object to that part of section 174 under which taxpayers can be told that, whether they like to join in proceedings or not they will be forced to do so, and that in order to escape it they would have to apply to the court.

Perhaps my amendment is not framed exactly in the wording the minister would like, but I want to take the compulsory aspect out of this provision and make it easier for the taxpayer who does not want to be a party to litigation. Surely, there is no principle of law—that I know of anyway—under which a person can be forced to go to court when he does not want to do so. If there is some other way that the same end can be achieved, then I would be happy to hear about it. I am happy to allow the section to stand for the time being, and incidentally I hope that if we have some answer to this point before too long we will be able to put the sections through.

Mr. Gray: Mr. Chairman, I hope to make some further comment in a definitive way on this matter shortly, if not before the supper adjournment then after supper.

The Chairman: Shall subclause 174 stand?

Mr. Aiken: Mr. Chairman, there is one other problem before standing the whole clause and it is this. In subclause (5) of section 174 I understand there is a "not" in the original draft that should not be there. It is at line 15 on page 448. Unless I have read it wrongly, I understand that the word "not" should not be there. It was noted in the Canadian Bar Association's presentation that they believed this "not" was a misprint. I did want to draw that to the attention of the minister now before finally dealing with this clause.

• (4:30 p.m.)

Mr. Gray: I would like to thank the hon. member for drawing this to our attention. When we are ready to come back to his earlier point we will also attempt to dispose of that one.

The Chairman: Section 174 shall stand.

Clause 1, section 174 stands.

Clause 1, sections 175 and 176 agreed to.

On Clause 1—Section 177: *Disposal of appeal.*

Mr. Aiken: Mr. Chairman, section 177 is former section 100(5) modified. I should like to ask the minister what the modification is. I do not have a cross reference. If the modification is not of substance then I have no objection, but I should like to have some clarification concerning what change has been made here.

Mr. Gray: I do not know if my comment will meet the point of the hon. member, but I am advised that this section concerning disposition of appeals is similar to present section 100(5).

[Mr. Aiken.]

Mr. Lambert (Edmonton West): Mr. Chairman, the answer is very simple. I do not want to appear to be butting in, but is it not a fact that the modification is in respect of a changing of numbers. The figure 180 is being exchanged for something else. This was the explanation given to me of the meaning of the modification in many instances.

Mr. Gray: I am advised that the words "other than an appeal to which section 180 applies" is not in the original section and that these words have been added.

Clause 1, section 177 agreed to.

On clause 1—section 178: *Court may order payment of tax, etc.*

Mr. Howe: Mr. Chairman, I am wondering why in section 178 (2) the amount is $2,500. Is there a particular cut-off area with regard to the amount? Why is there an arbitrary amount of $2,500 in this clause?

[*Translation*]

Mr. Béchard: Mr. Chairman, I do not think there is anything new here; the point was raised before. Indeed this has already been amended in the Income Tax Act with respect to the Tax Review Board.

Mr. Lambert (Edmonton West): Right.

Mr. Béchard: The committee will recall that amount was raised from $1,000 or $1,500 to $2,500 following a suggestion made by the hon. member for Burnaby-Richmond-Delta (Mr. Goode).

Mr. Lambert (Edmonton West): The piece of paper containing the amendment was handed to him.

Mr. Béchard: No, it was following a suggestion by the hon. member for Burnaby-Richmond-Delta and in the tax appeal board legislation this amount of $1,000 or $1,500—I do not remember exactly—

Mr. Lambert (Edmonton West): $1,000.

Mr. Béchard: —was raised to $2,500 and the Crown has to pay the costs win or lose.

[*English*]

Mr. Lambert (Edmonton West): Mr. Chairman, I suggest that a very fine point was raised concerning whether it was within the authority of the minister to put forward such a proposal, under the Federal Court Act, and I have not received a very satisfactory answer to that question. As you recall, Mr. Chairman, I used this particular clause as the reference in respect of a point I was making concerning discretion as to cost. My argument was turned down because it might impose another charge on the Crown. The Chairman, when comparing it with this section, found that somehow or other a mandatory direction as in this clause under discussion was not of the same category. I followed his argument. I did not share his reasons and I do not share his opinion. I am particularly conversant with this thing. The hon. member for Bonaventure is quite correct when he states that this was changed in the Justice Committee at the time the tax

review board was under consideration. However, a serious point of procedure was involved and we were considering this very item. I hope on an appropriate occasion I can come back to the Chair to get what I consider to be a more logical decision.

Mr. Howe: Mr. Chairman, I am not a lawyer, but I am not convinced there should be a sum in here at all. If the minister should make a mistake, bring someone in for appeal and then find that the individual wins the case, why should an arbitrary figure of $2,500 apply. The case might involve $5,000. Probably the lawyers have some particular reason for an arbitrary amount, but I do not understand why an amount has to be placed in here at all. If the government is wrong it should pay the expenses of the case.

[*Translation*]

Mr. Béchard: Mr. Chairman, I understand as well as the hon. member that it was not necessary to mention this amount of $2,500 and cases could involve $100 million or $200 million, but the government decided to mention an amount and set it as $2,500.

Mr. Lambert (Edmonton West): In any case.

Mr. Béchard In any case, yes.

Mr. Lambert (Edmonton West): Win or lose.

Mr. Béchard: As I said a while ago, whether the taxpayer wins or loses, the Crown has to pay the costs.

[*English*]

Clause 1, sections 178 and 179 agreed to.

On clause 1—section 180: *Appeals to Federal Court of Appeal.*

Mr. Lambert (Edmonton West): I see there is a salutary change in some of the philosophy of giving notice to taxpayers. Section 180 is entirely new. It constitutes a departure. There had been a rather regrettable practice in the past in respect of the time of the filing of a notice. It was to run from the moment of the issuance of a document here in Ottawa, whether the taxpayer lived in Lillooet, British Columbia or in Come-by-Chance, Newfoundland. Now, I see a much better practice has been adopted and the time shall run from the receipt of a registered notice by mail, which will get there in due course, and there will be evidence of service. I think this is perfectly alright. Even if they do not go to double registered mail, the registered mail in the ordinary course of delivery would be within so many days. This is much better, but may I ask the reason for the distinction between (a) and (b).

• (4:40 p.m.)

In (a) there is mailing by registered mail of a notice to a party who institutes an appeal. Under (b) it is mailing of notice to the registered Canadian charitable organization or registered amateur athletic association under subsection 168(1), and there is a period of 10 days. Why should the particular association be precluded from the protection of service by registered mail as compared with another taxpayer? It seems to me that a charity or an athletic association should be entitled to the same protection as is any other organization or any other taxpayer. To allow a judge of the court of appeal to vary the time because of certain circumstances may simply mean that the organization or person in question will have to put out an extra $250 or perhaps $400 to pay for counsel to appear before a judge of a court of appeal on an extempore application for an order for leave or an order to extend the time, either for filing the appeal or for doing whatever is necessary.

It is very nice to give this relief, but it must be realized that great expense is involved for any organization which may be at the other end of the country. It seems to me that it would have been quite simple under (b) to maintain the mailing of the notice by registered mail to the registered Canadian charitable organization or amateur athletic association.

[*Translation*]

Mr. Béchard: Mr. Chairman, I think that the hon. member for Edmonton West should refer to section 168(1) where there is a specific mention as to "registered mail".

[*English*]

—may by registered mail.

[*Translation*]

There is no more discrimination against this association than against other taxpayers since section 180(1)(b) provides that:

from the mailing of notice to the registered Canadian charitable organization or registered Canadian amateur athletic association under subsection 168(1)—

Subsection 168(1) reads as follows:

[*English*]

—the minister may by registered mail give notice to the registered Canadian charitable organization—

Mr. Lambert (Edmonton West): I will accept the explanation given by the hon. member. However, I find, as has been pointed out time and time again in a number of briefs, that this idea of cross reference rather than specific mention does lead people astray, as I was led astray here. It is simple to say that this is a notice that is required under section 168(1), and I accept that, but strangely enough we are dealing with a section which tells us we are to file an appeal within 10 days by registered mail. What has unfortunately led us astray is a complete reliance on the cross reference. I apologize if I was just an ordinary citizen here and not the most prescient of lawyers, but you can see where this type of drafting leads us.

[*Translation*]

Mr. Béchard: Mr. Chairman, I would like to add just a few words to say that in view of the thickness of this bill, it was to avoid adding additional pages to it.

Mr. Lambert (Edmonton West): Yes, but this makes the bill more confusing.

[*English*]

Mr. Aiken: I was about to rise to speak to subsection (2) with a slightly different complaint. The complaint is that serving anybody a notice by registered mail and expecting anyone to take legal action within 10 days is completely unreasonable. The minister is given 30 days under section 168 (2) (f) and he has 30 days from the day he has mailed

the notice. Having taken part in a good many situations of this kind, not all of them tax cases but appeals of different kinds, I feel that to have 10 days from the day notice is given by the minister in which to get an appeal filed is completely unreasonable. For example, notice can be mailed on a Monday or Tuesday to a point some distance away from Ottawa, and the notice may not reach the party concerned before four or five days at the very best, even when it is sent by registered mail. If it is either mailed or comes in on the weekend, you have lost the weekend. If a person happens to be away when the notice arrives, more time is lost. I do not know of any law in the world that requires a person to stay home waiting for the Minister of National Revenue to mail him a notice to which he has to respond in two or three days after the minister may have taken a year to reply.

I know there is a saving clause, and this can be brought forward, that a person may apply to a court of appeal or a judge thereof for further time, but for the average citizen it is a costly and time consuming procedure. A person may not have a lawyer available to file a notice of appeal when he is suddenly faced with a decision, and 10 days will have gone by. This is almost impossible. Even in the ordinary courts of most of the provinces in this country, you have 10 days from the day on which a summons or other document is served on you to put in an appearance in court, and that is 10 days after it is proven that the document has come into your hands. That 10 days is altogether too short a period, even in ordinary litigation.

I think it is absolutely unreasonable to expect anyone to file a notice of appeal in a federal court within 10 days after the minister has mailed a notice here in Ottawa. I would say that most of the time it would be an absolute physical impossibility. I protest against this strongly. I cannot see any reason for cutting the time so short. What difference is it going to make? Give the public a break and let them have 30 days in which to file their appeals. What difference is it going to make to the minister or to anybody else, if he has taken six months or a year to come to his decision? Now, he is going to turn around and require that the next day the person concerned must rush into court. I object to this time period. I would like to hear whether or not someone concurs in my belief.

• (4:50 p.m.)

[*Translation*]

Mr. Béchard: Mr. Chairman, having listened to the hon. member for Parry Sound-Muskoka (Mr. Aiken), I have to agree with him that the time period is too short. However, I must tell the hon. member, since we might run short of time, that we could undertake to study his suggestion along with the other amendments he has submitted earlier today.

[*English*]

Mr. Aiken: That would be quite satisfactory, Mr. Chairman.

The Chairman: Section 180 will stand. The committee will now proceed to the consideration of Part XV. The first section under Part XV is section 220. Shall section 220 carry?

On clause 1—Section 220: *Minister's duty.*

[Mr. Aiken.]

Mr. McCleave: Mr. Chairman, since Part XV covers a fair number of sections are we to be given leeway to make comments at the start which might be applicable to all sections, or are we to wait until the particular sections come up on which we wish to make specific comments?

The Chairman: The Chair suggests, and I think the committee will agree, that we should follow the practice established in the committee heretofore, so that general remarks might be made on all of Part XV. Is that the wish of the committee?

Some hon. Members: Agreed.

Mr. McCleave: The point I want to raise deals with the power given to the government under section 239(2), at the top of page 550, which reads:

> Every person who is charged with an offence described by subsection (1) may, at the election of the Attorney General of Canada, be prosecuted upon indictment and, if convicted, is, in addition to any penalty otherwise provided, liable to imprisonment for a term not exceeding 5 years and not less than 2 months.

This gives the government rather awesome power in that it can pick and choose as to whether those who are delinquent in the payment of taxes are going to suffer jail penalties in addition to fines. I think everybody in this chamber is well aware of the fairly recent case concerning two Canadians, one of whom was treated in such a way that he did face a jail sentence, and the other in such a way that he faced only a fine. Both these gentlemen were very prominent in Canadian life. One has died since the charge against him was laid, and that disposes of his case except in so far as it relates to his estate.

I realize that this provision has been in the law for some time, but that should not prevent us from asking whether it is a power that any government or any minister of the Crown should enjoy. If the minister decides on a certain procedure, then the person involved, if convicted, goes to jail. I wonder if the parliamentary secretaries who are now carrying the burden of the debate can reply to this fundamental point?

Mr. Lambert (Edmonton West): Mr. Chairman, may I continue with this point to which reference has been made? I, for one, refuse to accept any suggestion in any act that it is a minister of the Crown who is to determine that somebody is to go to jail, without the option of a fine. Under section 239(2) every person who is charged with an offence described by subsection (1):

> —may, at the election of the Attorney General of Canada, be prosecuted upon indictment and, if convicted, is, in addition to any penalty otherwise provided, liable to imprisonment for a term not exceeding 5 years and not less than 2 months.

It is unfortunate that the Minister of National Revenue is not present. I would have liked to have had a minister of the Crown, responsible for the administration of the act, explain why this provision, which I know has been in the act for a long time, should continue to appear in it. I think it is a most reprehensible principle that a minister of the Crown should have the right to determine that a man shall go to jail. This is something for a court to determine.

Under section 239(1) if a case is proceeded with by way of summary conviction, there is provision for the alternative of a fine "of not less than 25 per cent and not more than double the amount of the tax that was sought to be

evaded," or both the fine as described and imprisonment "for a term not exceeding 2 years." In this instance, it is a properly constituted court that determines whether a man is to go to jail or merely be fined. Yet by proceeding by way of indictment, if convicted a man is liable to a jail sentence, and this on the decision of a political individual, the Attorney General of Canada, or of some faceless bureaucrat behind him who does not have to answer for his decision. This may be the Deputy Minister or the Director of Prosecutions, who does not have to answer for his decision or recommendation to proceed by way of indictment, and the facts being what they are, if the taxpayer either pleads guilty or is convicted, and I am not trying to exculpate him at all, he must go to jail. True enough, he can be fined; but he must go to jail.

• (5:00 p.m.)

Mr. McCleave: That is barbaric.

Mr. Lambert (Edmonton West): Who is the one who decides to play such ducks and drakes and why, Mr. Chairman? Is there some pecuniary yardstick that is applied? The hon. member for Halifax-East Hants, my colleague, referred to a recent case. The amount was large; but I can honestly tell you that a few years ago out in my part of the country a number of taxpayers were involved in an equally blatant and apparent fraud. I am not prejudging the Toronto case. Let us say that there is an alleged fraud. Nevertheless, in the case to which I refer, shortly after the proceedings started the defendants pleaded guilty. It was all arranged, it seemed. The court affixed a penalty, pursuant to what is now section 239(1), and it cost the parties dearly for their years of syphoning off profits during a building boom. Actually, one firm almost went into bankruptcy, because the penalty cleaned them out. There had been some skimming off, but nobody went to jail, Mr. Chairman. There was no proceeding by way of indictment. And why was there not, Mr. Chairman? Was the reason religion, or was the reason political persuasion. Is it by reason of the status in the community of the individuals that the decision is made one way or the other, or is it made by reason of the fact that somebody might be a political force and might be friendly to the government?

Let met read section 239(1)(d), the basket clause:

(d) wilfully, in any manner, evade or attempted to evade, compliance with this Act or payment of taxes imposed by this Act, . . .

It is an offence under section 239(1)(d) to fail to file a return when requested. Failure to file is caught by that basket clause. It is as such a failure to comply with this act. I have no quarrel with the offence being subject to summary conviction. It is up to the magistrate to judge in any particular case. I know of many instances where an individual refused to file an income tax return after being requested to do so. Section 235 now says that every person who has failed to make a return as and when reqired by regulation under subsection 215(4), by regulation under section 221, and so on, is liable to a penalty. This is not governed entirely by statute. This matter comes under regulations that are passed by the governor in council under the authority of section 221 of this act.

An hon. Member: But the matter is scrutinized.

Mr. Lambert (Edmonton West): I do not object to the fact that there is an offence. That particular offence is caught up by the basket clause. A good many other offences are created under this act in cases where you do not comply with a requirement of the act or of the regulations. Those offences may merit summary conviction. I accept that. Yet, if the Attorney General of Canada shall decide otherwise, and he has only the good Lord to answer to under this act, he can proceed against the taxpayer by way of indictment. It is he who decides; the taxpayer may have no defence. After all, you either file an income tax return or you do not. There is no way of getting around that. Whether or not you should pay tax in a stated amount may be a matter of honest dispute; but your failure to file a return is a fact and, so, one is guilty of failing to file a return and proceedings may be by way of indictment. Very likely they would not be, but instituting them is within the power of the minister. A conviction means a minimum of two months in jail.

You know, this is arbitrary power. It is only the court that should determine whether a person shall go to jail; but this discretion is not given to the court. If the court of first instance awards too lengthy a jail term, the taxpayer has the right to appeal, as a common thief would, as a bank robber would or as any other criminal would. Yet, under section 239(2) of the Income Tax Act, he must go to jail. Mr. Chairman, that should not be. I repeat, that should not be. Section 239(2) should be stricken from this act. If the penalties are not great enough under section 239(1) to take into account the higher level that is provided for in section 239(2), then let us amend section 239(1). But, for goodness sake, let a court of law decide whether a man goes to jail or not, and not the minister or one of his faceless individuals. I do not mean that in any derogatory sense, but they are not identifiable. There is none amongst them who must answer for his actions.

• (5:10 p.m.)

The Assistant Deputy Chairman: The hon. member for Halifax-East Hants rises on a question of privilege.

Mr. McCleave: Mr. Chairman, I misled the House. I referred to the fact that at the end of the indictment procedure the person convicted might go to jail for a day or a number of hours. As a matter of fact it is set forth very clearly that it is not less than two months. I apologize for my inadvertence.

The Assistant Deputy Chairman: Order. It is my duty pursuant to Standing Order 40 to inform the House that questions to be raised tonight at the time of adjournment are as follows: The hon. member for Selkirk—The Canadian Economy; the hon. member for Winnipeg North—Manpower—Availability of Jobs in Thompson and Sudbury; the hon. member for Oshawa-Whitby—Regional Economic Expansion.

Mr. Aiken: Mr. Chairman, I want to raise the same point. Previously in the debate on this bill, the question was raised about double jeopardy for people who may be considered by the tax department not to have paid their tax or filed their return. The penalty is additional tax under a previous section which we have already discussed. The second penalty under Section 239 is a fine of

not less than 25 per cent and not more than double the amount of tax that was sought to be evaded. Finally, we have Section 239(2) which provides a jail sentence without the option of a fine.

It seems to me that this subsection is unreasonable and in favour of tax administration. Among other things, we have been trying to give the taxpayer a reasonable break as against the all powerful Income Tax Act. There is no doubt in the world that the procedures and penalties under this act are greater than under almost any other federal legislation. You can prove the mailing of a notice from the department by affidavit evidence given in court saying that the minister has sent out a notice. That is absolute evidence that the notice was sent out without anybody appearing to say so. I think Section 239(2) is not only overpowering against the citizen, but it leaves a political tool in the hands of the government in a case where such a penalty was never intended. We have here the option for the Attorney General of Canada to decide whether to proceed against an accused person by way of summary conviction. This would give the provincial judge the right to determine the sentence, whether it be fine or jail, depending upon how he sees the circumstances, and would give the right to the minister to make that decision. We feel this is wrong.

It is easy for inspectors and investigators going through the taxpayer's papers to talk to the taxpayer and other people and come to the conclusion that perhaps this person has fraudulently misrepresented his case and tried to deprive the government of taxes. It is absolutely no part of normal justice in this country that the prosecution shall prejudge how the case shall be disposed of by the courts, but that is what this particular section allows. It leaves this tool in the hands of the government. They may say to a taxpayer that they are going to proceed by way of indictment, and they may say to the judge that the taxpayer has to go to jail for two months. It does not leave the judge the option of hearing the defendant's case. Surely, this is fundamental justice, that the defendant may bring forward certain facts for the court's consideration in determining sentence. In this case when the individual has been found guilty there is no option for the judge to decide to impose a fine. There is no alternative but to send the accused to jail or to acquit him.

This section, first of all, takes away the right of the courts to determine sentence and, second, takes away the right of individuals to place a case before the courts in mitigation of sentence. This gives a third kick at the cat, a third penalty that the Department of National Revenue can impose upon the taxpayer. This is the final and most severe, that he can be sent to jail.

As I said earlier, there is always the other possibility, that we are placing in the hands of the government, of the Attorney General, and of the Attorney General's officers a very powerful instrument and that is the right to say to this individual, "We are only going to prosecute you under summary conviction and you may be fined", or to say to him "We are going to ask for procedure by indictment and you may go to jail". It is too powerful a tool in a tax situation. It is open to abuse at a lower level within the department because in a lot of cases I presume that the Attorney General does not make the decision. This section leaves it open to the investigator or someone above him to make this decision and to hold out a threat of some sort against the accused. If he does not squawk too hard, if he pays his penalty and admits everything the case will not proceed by way of indictment.

[Mr. Aiken.]

• (5:20 p.m.)

While this is not likely to happen, it is not likely that any attorney general would take such a position, the power does exist and it is the most dangerous power open to the government, the power to discriminate between one citizen and another. There may be reasons for which a certain individual who is friendly to the government, who has been a regular contributor out of the money he has saved from taxes, who has been a helper of the government—and I am not referring now to any particular government—might be dealt with more lightly than another person who did not happen to be known to the government or to the attorney-general.

While we do not have much complaint about the remainder of this administrative and enforcement portion of the bill, we feel this is the appropriate point for a reconsideration of 239(2). It is no use bringing the matter up a year from now or two years from now by way of a private member's bill. The time to do it is now, while we are considering a new piece of tax legislation. I, therefore, suggest there should be a reasonable modification of this subsection before we proceed with the remainder of the sections.

Mr. McCleave: While the ministry is considering the points my hon. friend has raised, I should like to inquire about two matters which were put forward by the Canadian Bar Association in its brief dated August 20, 1971. The first concerns section 231(2). The Bar Association made this point:

> We suggest there is no need for an ex parte application as the minister already has the documents involved. The question is whether or not he should give them back within 120 days. Surely, the taxpayer should be able to present his views to the court as to why the documents should be returned, particularly where they can be photostated.

The second point arises out of something which appears later in that particular section, in 231(8). The Bar Association made the point:

> The appointment of the hearing officer by the tax review board is a welcome change if the hearing officer is someone other than a member of the Department of National Revenue. If members of the department are still to be appointed they might as well be appointed by the minister in the first place.

I would ask whoever is to reply whether it is the intention of the government to appoint someone other than a member of the Department of National Revenue in connection with the provisions of 231(8).

Mr. Gray: With regard to the second point the hon. member raised, it is my understanding the intention would be to appoint someone other than an official in the category he mentioned.

With respect to the first point, I should like to have it taken under advisement. We shall attempt to make some further response, possibly later this evening, at which time we would also be in a better position to respond to the argument put forward by the hon. member for Parry

Sound-Muskoka. Perhaps those subsections could be allowed to stand as well.

The Assistant Deputy Chairman: Is that agreed?

Mr. McCleave: I think that really means we should stand 231 and 239.

Mr. Lambert (Edmonton West): Somehow or other we started off on a different tack by saying we could discuss generally, on 220, anything from 220 to 247. I think it is quite improper to keep prodding the committee by saying "Shall section 220 pass?" It seems to me it should be open. We should complete the general discussion and then pick up the items. Or else we should proceed to discuss section 220 and stay away from general discussion.

[*Translation*]

Mr. Clermont: Mr. Chairman, I do not believe that we government members are the ones who asked you to call subsection 220. We accept the argument put forward by the hon. member for Edmonton West that the member in the Chair at the outset of the sitting on Bill C-259 heard the suggestion put forward by the hon. member for Edmonton West—

Mr. Lambert (Edmonton West): It was not my suggestion.

Mr. Clermont: —I believe it was rather the hon. member for Halifax-East Hants (Mr. McCleave) who suggested that Part XV be discussed as a whole, but the Chairman did not give us any instructions as to the order in which the subsections should be called.

The Assistant Deputy Chairman: In answer to the hon. member, it was understood that each subsection would be dealt in a general way, then passed separately.

Mr. Lambert (Edmonton West): At the end.

The Assistant Deputy Chairman: At the end.

Mr. Lambert (Edmonton West): Moreover, Mr. Chairman, we have questions to ask the minister, especially on the points raised by my colleague and myself about subsection 239 and again about subsection 231.

We may find others also. For pity's sake, let us limit ourselves to the general discussion.

The Assistant Deputy Chairman: Is there agreement on the part of the committee?

Mr. Béchard: Mr. Chairman, having heard the case so ably stated by the three opposition members, that is the hon. members for Parry Sound-Muskoka, Halifax-East Hants and Edmonton West (Messrs. Aiken, McCleave and Lambert), concerning section 239(2), I agree with what they said about the powers granted ministers of the Crown to imprison or not Mr. So-and-so, and I believe that the committee members, and especially the hon. member for Edmonton West and the two members of the official opposition who participated in the debate, are well aware of the fact that the Minister of Justice (Mr. Turner) is a compassionate person and know that he would not impose such a sanction on a fellow-citizen.

As we are discussing the whole of Part XV and have stood some sections in order to study them after supper, I believe that by then we shall have found the necessary answers. In fact, we have them already. No doubt we could also stand section 239(2) for later discussion.

Mr. Lambert (Edmonton West): I thank the parliamentary secretary for his remarks. I am sure that the bill will have improved following the introduction of an amendment by the government, after supper.

Having disposed of this matter for the time being, perhaps I might again point out that section 231(15) brings about something new and I believe that it improves the legislation. At page 542 of this bill, one can read the following:

Rights of person whose affairs are investigated.

In the past, it was known that the officials of the Department of National Revenue could sequester the property of an individual and, in his absence, conduct an inquiry. But today, we have a new provision which, I think, amounts to an improvement. And I resume the quotation:

Any person whose affairs are investigated in the course of an inquiry authorized under subsection (7) is entitled to be present and to be represented by counsel—

. . . or his agent.

We can derive a certain degree of satisfaction from this. I do not include myself with those who have consistently congratulated the government, during this debate, for the changes made in the Act, but I thank the government for this improvement.

[*English*]

The Deputy Chairman: Shall section 220 carry?

Mr. Lambert (Edmonton West): I suppose I must rise or the Deputy Chairman will operate on the piston principle that a section must pass or must not pass.

Mr. Faulkner: Try voting on it.

Mr. Lambert (Edmonton West): The hon. member says—I do not know whether he is still a parliamentary secretary—we should try voting on it. As a lawyer, I wish he would turn his undoubted talents to dealing with the difficulties in this law.

Mr. Murphy: He is not a lawyer.

Mr. Lambert (Edmonton West): So I am told he is not a lawyer.

Mr. Faulkner: That is a band of people I would never be associated with.

Mr. Lambert (Edmonton West): Then, I will take it all back; but I must say that the hon. member's constituents are thereby the losers. I think I can say that in regard to matters of this kind.

Mr. Knowles (Winnipeg North Centre): He is a bachelor.

Mr. Lambert (Edmonton West): But not of laws. When his constituents complain to him about some of the difficulties in this law, which undoubtedly there will be, I trust he will derive a great deal of satisfaction from

saying, "Well, I said nothing on the bill; I knew all these things". The hon. member has been the recipient, as I have, of briefs submitted by the Canadian Bar Association and analyses of this legislation by any one or more of half a dozen of the leading chartered accountants establishments in this country. He too has had letters almost without limit from constituents and others drawing his attention to this or that particular difficulty. But all this seems to have gone for nought.

I suppose the hon. member feels that all of these representation shad nothing to do with the content of Bill C-259 because they were made following the publication of the bill. I am not aware that many of the amendments were not already in the pipeline, so to speak, within the administration be it of the Department of Justice, the legal section of the Department of Finance or the legal section of the Department of National Revenue.

The input by hon. gentlemen in regard to the representations made on Bill C-259 is not particularly manifest. At least one can say that those of us of the opposition who have paid particular attention to these sections have been putting before the government as forcefully as we can, with our limited talents—

Mr. Langlois: Hear, hear!

Mr. Lambert (Edmonton West): I suggest to the hon. member for Chicoutimi that he will sprain his rather ample wrist and shoulder, not in patting his desk but in patting himself on the back for being so assiduous in calling "Carried" and also in failing to recognize, as we do, the limitation of our talents when they are applied to an examination of the income tax law. This is particularly so since the hon. gentleman was not one of those who availed himself of the opportunity of attending sessions held by the Institute of Chartered Accountants which were a great help to those who did attend. How can anyone who failed to attend those sessions, and who does not have much knowledge of what appears between the covers of this massive volume, insist that sections be carried? It is merely rote, an attempt to put a rubber-stamp on those matters that one must understand.

I should like to go back to the point I raised prior to section 245 strictly with regard to administration and enforcement, and again with particular reference to section 221 which authorizes the Governor in Council to make recommendations. I wonder how many mambers know the volume of regulations made under the Income Tax Act. I am sure there are few, if any, present in this chamber who have any idea of the thick volume, printed on fine paper, containing various regulations. I am rather surprised that I am urged by members on both sides of the House to pass this or that section rather hurriedly so as to make progress. The hon. member for Hamilton-Wentworth is a great one to talk about progress, but he has not the slightest idea not only of what is in this text but of the regulations. For the benefit of the hon. member for Chicoutimi, let me go to section 235 which provides as follows:

> Every person who has failed to make a return as and when required by regulation under section 215(4)—

And so on. This particular text in the bill does not tell hon. members what return shall be filed; rather, it is defined by regulation that the Governor in Council has passed what heretofore need not necessarily be published.

• (5:40 p.m.)

Mr. Langlois: That is nothing new.

Mr. Lambert (Edmonton West): Just because one law has transgressed on the rights of others is no reason all laws should do it.

Mr. Langlois: Come on. You went through this in 1961 and 1962.

Mr. Lambert (Edmonton West): And we made changes. The hon. member can say we have been through this, but the volume has increased. If the hon. member had followed my speeches in the opposition since 1963 when I left the chair, he would know how often I have spoken against sweeping regulations. I put it to the hon. member that it takes a lot of time to study the regulations and laws. However, by the time I had had experience with the Department of National Revenue I became cognizant of all this. But one speaks up, and I hope we are able to make some progress. I am really concerned. It may be that some time when the government gets around to it we will have the joint committee on statutory instruments which may be in a position to consider the regulations, provided they are not exempt under the act relating to statutory instruments and provided they are not exempt from passing through the fine screen of that committee.

Also, that committee cannot act until there is a change in the rules of the House concerning what is meant by an affirmative resolution, what is meant by a negative resolution and how it shall be handled. There is no provision in our House rules for that. So for the moment this question is for consideration some time in the indefinite future. The intentions are good, but time and time again the road to hades has been paved with good intentions. I suppose this is one of the worst clichés, but it is factual. In any event, let us look at section 221. It provides:

> The Governor in Council may make regulations
>
> (a) prescribing anything that, by this act, is to be prescribed—

That is as illuminating as the snow clouds that have hung over Ottawa today. The section continues:

> —or is to be determined or regulated by regulation.

That leads us precisely nowhere. They can make regulations for something that has been regulated by regulation. I suppose there are some sections which say the minister "may by regulation," or it may be that by regulation taxpayers will be required to file returns and therefore the minister is authorized to make this regulation. That might be the explanation of this section. The next part I believe is quite right:

> (b) prescribing the evidence required to establish facts relevant to assessments under this act,

I think that is so, provided it is published and within the knowledge of the taxpayer. The next paragraph provides:

(c) to facilitate the assessment of tax where deductions or exemptions of a taxpayer have changed in a taxation year,

I agree with that. Then we have this paragraph:

(d) requiring any class of persons to make information returns respecting any class of information required in connection with assessments under this act,

That one becomes a little more difficult. In any event, we come again to what I consider to be the bugbear. It is something that is built in and which gives a discretion to the minister and the Governor in Council and allows no review. It will be very interesting to hear the argument of ministers and the reaction of the Attorney General of Canada to paragraph (j) of subsection (1) of section 221 which reads:

(j) generally to carry out the purposes and provisions of this act.

Who has the discretion to determine whether a regulation generally is to carry out the purposes and provisions of this act? If a regulation were to be challenged in the Federal Court appeal section, I put it to the hon. gentleman that the court would refuse to adjudicate because it will not substitute, as a general rule, its discretion for that of the government or of an official. This is precisely one of those instances where the greatest injustice can be done to a taxpayer. Remember, the taxpayer is not standing there almost naked, almost cold, ready to be plucked and sheared of everything he possesses; this is not the position of the taxpayer.

My colleague says that all these things have been done to him. They have, but that is not the position of the taxpayer. The taxpayer is an ordinary citizen of the country. He may be a corporation, an individual or a partnership. Whatever is the legal entity in existence, he is the taxpayer and he has rights: they are not all on one side. But here we have regulations "generally to carry out the purposes and provisions of this Act."

Fortunately, the government do not include in this act what they were attempting to do in an act which I believe dealt with sales finance companies. There is the famous provision in the regulations section authorizing the Governor in Council on the recommendation of the minister to make regulations generally which in the opinion of the minister would properly carry out the purposes and provisions of the act. I have seen it described elsewhere as "generally for the proper carrying out of the purposes and provisions of this Act." That just cannot be. A court must determine that matter. One cannot have that subjective opportunity built in authorizing, shall we say, the author of the regulations to judge whether they are correct or not.

As I have said, it would be very interesting to have the Attorney General of Canada appear before the committee on statutory instruments, when it next meets, to see whether he would insist that either he or his colleagues, whatever may be the political stripe of the administration, judge whether or not a regulation shall be generally to carry out the purposes and provisions of this act.

There are those who would say that once Parliament has granted the authority to a ministry to make regulations, that is an authority which cannot be removed by Parliament. This was argued at the time of the passage of the Statutory Instruments Act: it was said that Parliament did not have the power to revoke the authority to make regulations. Here we come to a real question of principle and I put it to you, Mr. Chairman, that this House and the other place, having passed a bill authorizing the making of regulations, can at any time, by proper action, amend, delete or revoke any such regulation. It has the right to alter that authority.

• (5:50 p.m.)

But on the side of the ministry there are those who insist that once the authority to make regulations has been given, it is gone and forever has been transferred from parliament to the administration. That is something that members of the House must never accept and never allow, even for reasons of expediency. It is much better to protect the right of individuals and of this House than to fall down in adoration of the false god of administrative or governmental efficiency.

I want to complete my remarks now, because after eight o'clock I want to discuss the particular matters raised in sections 239 and 232 and then we can proceed with sections 245 to 247, and if we have time I have suggested to the government House leader that we could proceed with section 248 which is a most voluminous interpretation section; it covers some 16 pages of text and might possibly provide a fair amount of progress.

Mr. Aiken: I have one question remaining on section 221 (2) which concerns me considerably. It reads:

No regulation made under this act has effect until it has been published in the *Canada Gazette* but, when so published, a regulation shall, if it so provides, be effective with reference to a period before it was published.

This afternoon and on previous days we have raised the problems of double jeopardy and heavy penalties in connection with offences under this act. But here is a situation where a regulation can be published in the *Canada Gazette* and shall be effective at a time before it was published. This indicates to me that one could be convicted in a court and sent to jail for two months, which is the minimum under the indictment section we have just finished discussing, for breaking a regulation which had not even been published. This seems to me to be a terrible provision in any act of the Parliament of Canada.

The second point is that the section seems unreasonable in itself—not just with regard to the penalty—unless the limitation is to the time at which the regulation is actually passed, because if this provision is taken at face value, with no limitation or exception, a regulation could be passed requiring a person to file a return of a certain type, in a certain manner or at a certain time, that regulation being effective two months before it was published. A person then could be in breach of the regulation without its having been in existence. So I think that subsections (1) and (2) of section 221 deserve very serious consideration, particularly in light of the other matters which the ministry has asked to stand for further consideration.

May I call it six o'clock. Mr. Chairman?

The Assistant Deputy Chairman: Before rising may I point out to the committee that the hon. member for Edmonton West mentioned that he would like to discuss.

after eight o'clock, section 248 which, as hon. members know, has been carried as amended.

[*Translation*]

Mr. Béchard: I apologize, Mr. Chairman, for my absent-mindedness. What section, did you say, has been carried?

The Assistant Deputy Chairman: I explained to the committee that the hon. member for Edmonton West wanted to discuss section 248. It so happens that section 248 has been amended and carried on November 10. There is no question of a debate; I merely wanted to inform the committee.

Mr. Béchard: Mr. Chairman, if such is the case, there is nothing to add.

[*English*]

Mr. Aiken: With reference to the point of order, I think it was merely a suggestion of the hon. member for Edmonton West that this would be the last section to be discussed in the event that we completed everything else prior to that time. We will see that he is so advised.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order, please. When the committee rose at six o'clock, section 220 was being considered.

[*Translation*]

Mr. Clermont: Mr. Chairman, it had been suggested this afternoon that sections 172, 174 and 180 be allowed to stand.

The government intends to introduce an amendment to section 172, but it is impossible for us to do it tonight in the two official languages.

As for section 174, the hon. member for Parry Sound-Muskoka (Mr. Aiken) has proposed an amendment and the government would also have an amendment to propose.

Regarding section 180, the hon. member for Parry Sound-Muskoka had pointed out that the period of ten days was too short; a minister will move an amendment to that section stating that this period be 30 days.

[*English*]

Mr. Aiken: Mr. Chairman, the parliamentary secretary having indicated that the government has two amendments to sections 174 and 180, I would be pleased to hear them.

Mr. Knowles (Winnipeg North Centre): On sections 172 and 174.

Mr. Aiken: No, 174 and 180. Section 172 is to stand. I am satisfied with the amendment to section 180 which would extend the time from ten days to 30 days. I have not yet seen the intended amendment to section 174, but if it goes some way to meet the objection I raised this afternoon I would most certainly be happy to consider it.

[The Assistant Deputy Chairman.]

[*Translation*]

The Deputy Chairman: Order. For mere procedural reasons, I think that the committee should stand consideration of section 220 to get back to sections 174 and 180.

[*English*]

Does the committee agree to stand section 220 at this time and revert to section 174?

Some hon. Members: Agreed.

Clause I, section 220, stands.

On clause I—section 174: *Reference to Federal Court or Tax Review Board of common questions.*

Mr. Clermont: Mr. Speaker, the amendment the government will be moving in a few minutes in connection with section 180, page 451, is as follows:

That section 180 as set forth in clause 1 of the said Bill be amended by striking out line 15 on page 451 and substituting the following:

'Court within 30 days from'

The amendment the department would like to put before the House in connection with section 174, page 446, is as follows:

That section 174 as set forth in clause 1 of the said bill—be amended by striking out lines 40 to 46 on page 446 and substituting the following:

'Reference to Federal Court or Tax Review Board of common questions

174. (1) Where the minister is of the opinion that a question of law, fact or mixed law and fact arising out of one and the same transaction or occurrence or series of transactions or occurrences is common to assessments in respect of two or more taxpayers, he may apply to the Tax Review Board or the Federal Court—Trial Division for a determination of the question.'

• (8:10 p.m.)

[*English*]

The Deputy Chairman: The Minister of Agriculture moves:

That section 174 as set forth in clause 1 of the said bill—be amended by striking out lines 40 to 46 on page 446 and substituting the following:

'Reference to Federal Court or Tax Review Board of common questions

174. (1) Where the minister is of the opinion that a question of law, fact or mixed law and fact arising out of one and the same transaction or occurrence or series of transactions or occurrences is common to assessments in respect of two or more taxpayers, he may apply to the Tax Review Board or the Federal Court—Trial Division for a determination of the question.'

Mr. Aiken: Mr. Chairman, I suggest that we could go immediately to section 180. The amendment is clear and understandable and exactly meets the point I raised this afternoon. I think we should pass it immediately. I then should like to discuss further section 174.

The Deputy Chairman: Does the committee agree to stand section 174 at this time and proceed with the amendment to section 180?

Some hon. Members: Agreed.

On clause 1—section 180: *Appeals to Federal Court of Appeal.*

The Deputy Chairman: The Minister of Agriculture moves:

That section 180 as set forth in clause 1 of the said bill be amended by striking out line 15 on page 451 and substituting the following:

'Court within 30 days from'

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Olson) agreed to.

Clause 1, section 180, as amended, agreed to.

The Deputy Chairman: Does the committee wish to revert to section 174?

Some hon. Members: Agreed.

On clause 1—section 174: *Reference to Federal Court or Tax Review Board of common questions*

The Deputy Chairman: Shall the amendment to section 174 carry?

Mr. McCleave: Mr. Chairman, I appreciate the intricacies through which we have just gone. The point I want to make is similar to the one I made this afternoon. I am referring to the situation in which taxpayers who live in different parts of the country may be competing in the sense that they are involved with the Department of National Revenue. Those taxpayers may be facing certain problems. Despite the proposed amendment, the minister, under this section, could create considerable difficulty for those taxpayers especially if he were to ask, say, the taxpayer in Halifax to compete with the taxpayer in Hamilton, or the taxpayer in Hamilton to compete with the man in Vancouver.

The question that arises is, where do you hold your court, where do you take your witnesses and your lawyers, since the provinces have different rules in this regard? And what lawyers are you allowed to take? That is the point I thought I had argued with a reasonable amount of intelligence and diligence. I should like to hear from my learned friends opposite on this question.

[*Translation*]

Mr. Béchard: Mr. Chairman, the Minister of National Revenue (Mr. Gray) explained this section very clearly this afternoon and it deals with very specific cases. As to the fears entertained by the hon. member for Halifax-East Hants (Mr. McCleave), who is asking where the cases will be heard, I would say that the Court will have to determine that.

[*English*]

Mr. McCleave: With all respect to my hon. friend, that is not a satisfactory answer. It is within the initiative of the minister to take the case wherever he wants to take it. If he wants to take it to the court in Vancouver, that would cause great difficulty for the person in Calgary, Edmonton, Toronto or Halifax. I asked that question because I hoped we could avoid this situation. I hoped the committee might contain within it a Solomon who could bring forward an answer that would solve the objection.

It is the option that probably is the worst feature of the section. The minister may be a very humane and sensible person and he may decide that he will not put taxpayers in the far corners of the country to the expense of travelling great distances. On the other hand, he might be a kind of obdurate bureaucrat who is full of self-importance and decide the matter in such a way as to have people flocking to one centre from the far reaches of the country.

I was hoping there might be a better answer than that to this problem because I do not think we should impose on taxpayers of the country immense financial burdens in this regard. It would not be fair to ask a man to spend $2,000 merely to fight a claim worth $100. I do not think anybody should be put to that sort of trial. That is why I asked the question.

[*Translation*]

Mr. Béchard: Mr. Chairman, I believe the hon. member seems to think that even if the minister is the Minister of National Revenue he is not a human being, who is aware of what happens in the life of any taxpayer. I believe that if this man, who as I say is a human being, he abuses his powers, it will be up to the Court to decide where the cases will be heard.

[*English*]

Mr. McCleave: Mr. Chairman, I think there is probably a simple answer to this problem and it is this. Many elections in Canada have been fought on the issue of whether the people who formed the government at the time were reasonable human beings. Be that as it may, perhaps five or six people will go down the drain in the process of having this question determined; that is why I raised this very serious matter. I do not think the government should put people in a country as vast as Canada through an exercise such as that.

I give the government credit for bringing in new provisions. If we are trying to help people solve their problems and not add to their expenses, I suggest we should not put them to great expense when they try to determine the pros and cons of any question under a very complex act such as the Income Tax Act and its regulations. I think everybody will agree with that, even though some may disagree with almost everything else I say.

Although some of these provisions are perfectly human, they also give the minister the power to compel people who live perhaps 1,000 miles apart to come to a certain court. If you consider the distance across Canada, there could be three such people. The minister can compel them to unite in some kind of common cause. If they do not want to come, they may send their lawyers. But they are to be bound by the decision that is handed down. That, I think, is wrong. There must be some way in which persons can disunite themselves, so to speak, and take their chances before the Federal Court in their own backyard. I think all we need is a simple amendment along that line.

• (8:20 p.m.)

[*Translation*]

Mr. Béchard: Mr. Chairman, the hon. member for Halifax-East Hants as an eminent disciple of Themis under-

stands the situation, I am sure. For instance, if someone from Halifax which the hon. member knows very well is, let us say, separated from his wife and if the wife is living in Vancouver, or if a merchant sells his business in Halifax and takes up residence in Vancouver, I imagine that it will be necessary to determine if and where proceedings will take place. Obviously if the minister decides that this must be done at a certain place, this to the detriment of the two parties, the Court will be called upon to rule which is the best place. Someone simply has to decide where the proceedings will be held.

If this has happened previously, it could perhaps enlighten us more.

[*English*]

Mr. McCleave: Mr. Chairman, I do not know why the parliamentary should bring in divorce matters, but I can think of cases where that might arise. But let us take the case of salesmen who are provided with company cars and who in Vancouver, Calgary, Toronto or Halifax might be faced with a situation as to the amount to be considered as income under sections which we passed earlier. Is the minister to say to these salesmen that they will be marched into a federal court in Inuvik, Quebec City, or anywhere else in Canada? Are they to be marching there with their laywers? Lawyers cannot easily straddle provincial boundaries. A lawyer is supposed to know something of the law in his own province but unless he pays other Bar fees he is not supposed to know very much of the law in other provinces. Is everybody supposed to march into Quebec City, for example, to appear in a case? Surely it would be a simple thing to have an option for the taxpayer who is picked out by the minister to determine a court case, if the minister says that he does not want to try it on a particular day.

[*Translation*]

Mr. Béchard: Mr. Chairman, it must be pointed out to the hon. member and to the members of the committee that the amendment reads as follows:

[*English*]

Where the minister is of the opinion that a question of law, fact or mixed law and fact arising out of one and the same transaction or occurrence or series of transactions or occurrences is common to assessments in respect of two or more taxpayers—

[*Translation*]

This is a specific case. In my opinion, the hon. member should not lose sight of the facts mentioned in the amendment, because it is thereby provided that it deals with the same transaction common to two individuals.

If I mentioned earlier a matter perhaps of great concern to the hon. member for Halifax-East Hants, it was quite by accident. I did not talk about divorce, but about separation, which is not the same thing altogether.

[*English*]

Mr. McCleave: Mr. Chairman, the hon. member for Parry Sound-Muskoka, to whose learning, as well as that of the hon. member who has just spoken, I pay a great deal of attention thinks that my point has been answered, the point being—

—that a question of law, fact or mixed law and fact arising out of one and the same transaction or occurrence or series of transactions or occurrences is common to assessments—

[Mr. Béchard.]

Our difficulty is that no matter what kind of assurance we are given from across the aisle—those assurances have been given in the past and will be given in the future—no court in the land is bound by the opinion expressed by a minister or parliamentary secretary in this place. Perhaps the most famous example occurred a number of years ago when Mr. St. Laurent made a statement here and the Supreme Court of Canada reversed it. I am sure the right hon. gentleman fully believed what he told the House of Commons.

Since the government has tried to make the point that we made earlier this evening, I will accept the assurance given by my colleague, the hon. member for Parry Sound-Muskoka, and my friend the parliamentary secretary that the amendment covers exactly the point that I hoped to prove. In a couple of years from now I hope nobody will say that the member for Halifax-East Hants rose and said, "I told you so".

Mr. Aiken: Mr. Chairman, I do not think I would go so far as to say that this amendment has answered completely the objections that I and my hon. friend from Halifax-East Hants raised. I think there are still some marginal problems, particularly the one he mentioned of people living a long distance from each other and having to be drawn into one court.

I feel, however, that the central point of the objection has been met by linking all the cases to one series of occurrences or one set of facts. What concerned me this afternoon was the question of people who had no connection with each other except for the accident of fact that they were in the same situation. I expressed my concern about the taxpayer who might find himself involved in an appeal related to some other appeal which had a whiff of scandal about it with which he did not wish to be associated. That point has been covered to some degree by the amendment, and while I am not entirely satisfied with it I appreciate that the effort has been made and I would be prepared to support it.

Mr. Gray: Mr. Chairman, I should like to thank the hon. member for his willingness to consider the amendment which my colleague the Parliamentary Secretary to the President of the Treasury Board has read as a way of dealing with the very important point that he raised. I am therefore very pleased to formally move at this time that section 174 as set forth in clause 1 of the said bill be amended by striking out lines 40 to 46 on page 446 and substituting the following. Mr. Chairman, perhaps we can take it as read in the wording used by the Parliamentary Secretary to the President of the Treasury Board.

The Deputy Chairman: Order. I should bring to the attention of the minister that the amendment he proposes to move has already been moved by the Minister of Agriculture.

Mr. Gray: I am sorry, Mr. Chairman. I was not able to be in the House at the beginning of this evening's session and I was advised by my colleagues that it had not been formally moved.

The Deputy Chairman: Shall the amendment carry?

Amendment (Mr. Olson) agreed to.

The Deputy Chairman: Shall section 174 as amended carry?

Mr. Aiken: Mr. Chairman, another point was raised in connection with subsection (5) (b) of section 174. I made the suggestion that the word "not" was there by mistake in line 15. I do not think we should pass the section until I am assured that it should be in there.

• (8:30 p.m.)

Mr. Béchard: I will read this in English because I have it in English. A question has been raised regarding the wording of subsection (5) of section 174. The suggestion is that the word "not" in paragraph (b) of that section is inappropriate. I hope the following explanation will persuade hon. members that the wording of the paragraph is correct and appropriate.

Subsection (1) of section 174 provides that the minister may make application to the Tax Review Board or to the Federal Court in certain circumstances. Subsection (2) of that section permits the minister to name the taxpayers he wishes to have bound by such order as the board or court may issue. When such an application is made, subsection (5) provides that the time in respect of any appeal periods of persons named in the minister's application ceases to run. When the order of the board or court is finally made, paragraph (a) of subsection (5) provides that the time for appeal periods starts to run again but only for those taxpayers who are named by the board or court as being bound by the order.

A provision is therefore required for those persons who are named in the minister's application and for whom, consequently, the time period for appeals was stayed, but who are not named in the order of the board or court. Paragraph (b) of subsection (5) is that provision. It provides for the giving of notice for persons who have not been named in the order of the board or court. When such notice is given to such person, the time for his appeal period begins to run again. Consequently, the word "not" in paragraph (b) of subsection (5) is correct and appropriate.

I hope the hon. member followed that explanation.

Mr. Aiken: If the parliamentary secretary and the government are satisfied, then so am I. I raised the question because it seemed to me that a person did not need to be served with a notice telling him he had not been named in an order. But I am happy to accept the explanation which is given and which appears to be satisfactory.

Clause 1, section 174, as amended, agreed to.

The Deputy Chairman: Shall section 176 carry?

Mr. Aiken: I am not sure. We have already passed 176, I believe.

The Deputy Chairman: Then the committee will return to the examination of section 220.

On clause 1—section 220: *Minister's duty.*

Mr. Aiken: On a question of procedure, I presume Your Honour called section 220 so that we might proceed with our discussion of the block of sections running from 220 to 247. I should like to know at this point whether the government has reached any decision on what it intends to do with respect to subsection (2) of section 239 which was stood in order that further consideration could be given to it.

We think it is important that the court should have the final say in regard to sentence and that it should not be a matter for the Attorney General of Canada to decide. What has the minister to say about the absolute right of the Attorney General to proceed by way of indictment without the option of a fine being provided?

Mr. Gray: I am advised that this type of provision has been in the act since 1948. There is no indication that it has been used other than in a manner appropriate in the circumstances. This being the case, I respectfully submit that the circumstances which led to it being in the act in the first place continue to prevail at this time.

Mr. McCleave: Mr. Chairman, the minister used the phrase "appropriate in the circumstances". Appropriate in what circumstances? Does he mean appropriate in the circumstances of a government department trying to collect taxes, or appropriate in the eyes of a court, which would never be asked to rule in any case when it is dealing with a case by indictment because if a person is found guilty the court has no option but to sentence him to a jail term under the provisions of the subection. He cannot say "appropriate in the circumstances" when each one of us would have to decide how to proceed in such cases as Smythe in Toronto and Drapeau in Montreal. One is dead and the other is before the courts. I say the minister cannot use the phrase "appropriate in the circumstances" because what is involved is an absolute judgment.

Courts are either faced with a summary conviction procedure and if they find the accused guilty they carry out the law as they find it in the act, or if it is an indictment procedure and they find the accused guilty they have no option but to impose a prison sentence plus a fine. I think the minister is treating us ill when he says it is appropriate in the circumstances. It is a judgment matter and that is what we are trying to get away from in this chamber.

We are trying to pass a new, so-called tax reform measure under which the Attorney General of Canada can be faced with an awful decision. I think it must be awful for a man to decide whether he will prosecute somebody for tax evasion to the point where the man pays a fine and may have an option of going to jail, or to proceed by indictment and, by God, if you are found guilty the judge will send you to jail.

For the Minister of National Revenue, one of the few for whom I have admiration because he buckles down to considering the problems we send to him, to say "in appropriate circumstances" beggars the intelligence of the House of Commons and I hope he can do better than that on the second round.

• (8:40 p.m.)

Mr. Bigg: Mr. Chairman, I will yield the floor to the minister if he wishes to answer at this time. If not, I wish to make a few remarks on section 239(2). I am wondering how there can be equality under the law in view of the differing treatment given individual tax evaders and large

corporations. Obviously it is impossible to punish a corporation by putting it in jail, yet an individual taxpayer who may be guilty of no great offence against the state is in double jeopardy. Not only is he subject to what may be double or triple penalties under the act, but at almost the whim of the Attorney General of Canada he can be indicted and put in jail.

I could name cases involving millions of dollars where large corporations got off scot-free or made retroactive tax payments—and I shall have something to say about making tax laws retroactive when we come to section 221. Surely the purpose of reforming our tax laws is to make them equitable. An individual in breach of the tax laws is almost persecuted, not prosecuted. I should like to hear from the minister how the law can be equitable when corporations and individuals who similarly breach the regulations or the act are treated differently.

Mr. Gray: Mr. Chairman, in the circumstances outlined by the hon. member I think there would very likely be evidence that would lead to individual officers or employees of the corporation being charged. Therefore, the problem he refers to is not so likely to occur as he thinks may be the case.

Mr. Bigg: That may be half an answer, but as we well know senior members of corporations very rarely are held personally responsible for the misdemeanours of the corporation as such. It is very easy for them to claim that they were away on leave when the books were kept or the returns were made. On the other hand, an individual taxpayer does not have this professional protection or ability to fight. He is the one who is faced with what I have referred to as double jeopardy. A loophole still exists in the law since it is impossible to put in jail a corporation and all the members jointly responsible for tax evasion.

In the case of multinational corporations it is impossible to round up the people concerned since they are not subject to our law, certainly not subject to our criminal law. The only way of penalizing them is to impose an enormous fine. In some cases this might mean putting the corporation concerned out of business. Be that as it may, they would not lose their personal liberty.

My personal view—and I have had experience of the law—is that the only kind of law that is any good in a country like this is that which treats us all equally. As I say, I see no equity in a law that makes an individual subject to double or triple jeopardy whereas some other outfit that hides behind legal jargon is able to escape entirely its responsibility and thwart our properly thought-out and administered revenue laws. I am still not satisfied with the answer.

Mr. McCleave: Mr. Chairman, earlier this afternoon I raised this particular problem. Since one is sometimes asked what one would do to solve problems one raises, might I be permitted to give the Minister of National Revenue, his officials and parliamentary secretary an opportunity to consider this suggestion. In the case of certain offences, where an accused wishes to see the kind of evidence that is brought against him he is allowed to do so by way of preliminary hearing before a magistrate. That official then decides whether the evidence is sufficient to send the accused to a higher court for trial. On the other hand, there are cases where the accused is given the option to proceed by way of summary conviction in a lower court. The advantage in being tried in a lower court is that the penalty that is usually imposed is much less severe than that imposed in the higher court for the same offence.

I suggest we can tackle this problem in one of two ways. Perhaps it is not capable of solution tonight. In any event, I think the government should study this proposal overnight, and I would also be interested in the views of any of my colleagues as to whether I am on the right track. I suggest that we extend the maximum under section 239 from two years to five years. Perhaps this remedy is not as palatable as my other suggestion, which is simply to give the accused the option of deciding whether he wishes to proceed by way of summary conviction or by way of indictment. If the latter, he runs the risk, if convicted in the higher court, of suffering an additional three years' sentence, though every other factor would remain the same.

I do not know whether that suggestion commends itself to the government, but at least it would not put the Attorney General of Canada in the position of having to decide what type of procedure he would use against particular individuals. The individual would be put in the position of deciding that he prefers one course or the other. Since I raised this problem initially, I thought I should try to come up with some kind of answer to it.

Mr. Gray: Mr. Chairman, we would certainly be pleased to take the suggestion made by the hon. member under advisement, and for that purpose I ask that this section stand.

Mr. Lambert (Edmonton West): Mr. Chairman, I spoke at considerable length on this point. I heard the minister's reply just as I came back into the committee and I was astounded to hear him say, especially since he is a lawyer, that he accepts the principle that a public servant will determine whether a man goes to jail or not. The minister knows as well as I do that a mandatory penalty is attached to the indictment procedure. That can follow from any non-compliance with the act, pursuant to section 239 (1)(a), (b), (c) or (d). That includes the failure to file an income tax return on demand.

• (8:50 p.m.)

There is no way that the administration can justify that it must have the right—I emphasize this—to determine that a man shall go to jail. It is the courts that will send a man to jail. We have courts of law for that purpose. It is the judge who will decide, on the merits of the case—not the Attorney General, not the Deputy Attorney General or the director of prosecutions. None of those persons is in a position to determine that a man shall go to jail. Therefore, subsection (2) of section 239 must be wiped off the statute books.

The penalty can be increased, if it is so desired, under paragraph (g) of subsection (1). I prepared amendments. I have the amendments ready and I intend to move them so they will be before the committee. I want hon. members to determine and to vote on the question of whether they are prepared to have government officials or a minister of the

Crown determine that a man shall go to jail, because that is the nub and essence of this problem.

An hon. Member: Come on.

Mr. Lambert (Edmonton West): This is in respect of income tax. So they broke the law! Ask the Attorney General of Canada if all people go to jail all the time for breaking the law. The emphasis is away from jail to pecuniary penalties. I ask the hon. member for Sarnia if he can justify that a minister of the Crown or members of the Department of Justice have the right to send a man to jail.

Mr. Jerome: They do not do that.

Mr. Lambert (Edmonton West): The hon. member for Sudbury wants to get the facts. There is a mandatory jail sentence.

Mr. Jerome: Surely the hon. member will agree that whether or not that discretion in the section is exercised, if it is exercised in favour of indictable proceedings there must be a trial.

Mr. Lambert (Edmonton West): The point is that perhaps the fact cannot be denied. For instance, there may be no question about the failure to file an income tax return. It does not matter whether you should have paid $5,000 or $3,000 in income tax. Let the parliamentary secretary study the bill, particularly sections 239 and 235.

Mr. Jerome: You are presuming guilt before trial.

Mr. Lambert (Edmonton West): This is a fact. The parliamentary secretary should know there are things which are factual and others which are not. If a demand has been made in the appropriate way by departmental officials to file an income tax return, and none has been filed, this is a fact. In Montreal today there is a summary conviction procedure outstanding for failure to file, and this carries a jail sentence if the judge so desires. However, if the Crown had proceeded by way of indictment there would be a minimum of two months and up to five years in jail without any choice. The judge has no other choice.

Mr. Jerome: The judge does have a choice.

Mr. Lambert (Edmonton West): Now we know you do not know the law.

Mr. Jerome: I do know the law. Are you saying the judge must convict?

Mr. Lambert (Edmonton West): The judge must convict.

Mr. Jerome: Guilt is assumed before trial! Don't be ridiculous.

Mr. Lambert (Edmonton West): I am telling the hon. member that if there has been a failure to file a return, no return is there—

Mr. Jerome: It has to be proven.

Mr. Lambert (Edmonton West): —and the man cannot produce any records to show he has filed—

Mr. Jerome: Then he is guilty.

Mr. Lambert (Edmonton West): He is guilty. So he goes to jail if you proceed by way of indictment. That is what I want to eliminate. Why must we have the indictable procedure when there is a mandatory jail sentence of up to five years? Is that for someone to play ducks and drakes with the taxpayers? Why must the minister play ducks and drakes? I was parliamentary secretary to a Minister of National Revenue who would under no circumstances allow a proceeding by way of indictment. He said the law was repugnant. It was up for revision.

Why should the Attorney General of Canada have this power? It is not needed. All you have to do, if you want to increase the jail sentence which provincial judges may impose—and their jurisdiction has been increased—is raise it to five years on summary conviction.

I move:

That clause 1, subsection 239(1)(g) be amended (a) by deleting the words "two years" in line 39 at page 549 and substituting the words "five years" and (b) by deleting the whole of subsection (2) thereof and renumbering the following subsections accordingly.

Mr. Bigg: I second that motion.

The Deputy Chairman: Order, please. With this amendment the committee will find itself in a procedural difficulty in the sense that although all the sections in the group are before us, only section 220 has been put. Therefore I invite discussion and advice from hon. members concerning the procedure they wish to follow. Should the committee stand section 220, the basic section, and open discussion on section 239 on which I would put the amendment?

Mr. Lambert (Edmonton West): Mr. Chairman, my amendment is in the same category as the amendments advanced the other day by the Minister of National Revenue. At that time a number of amendments were stood and are waiting until the section is called. My amendment is in the same category.

The Deputy Chairman: Order, please. I agree with the hon. member; his point is valid so long as he does not wish section 239 to be brought to a decision at this time. Shall section 220 carry?

• (9:00 p.m.)

Mr. Gray: Mr. Chairman, the hon. member has just presented an amendment and his colleague from Nova Scotia has presented one. I said, in response to his colleague's request that the government give consideration to the points he raised that the matter would be taken under advisement. I said that the hon. member, quite properly, made similar points before the supper hour and has now added to them. Now he has moved an amendment. In fairness to his colleague I suggest we should deal with the hon. member's amendment in the same way. Therefore, I would suggest that the portion of the bill before us stands so that further consideration can be given to the amendments to sections 239 and a response made as soon as possible.

Mr. Knowles (Winnipeg North Centre): We have just agreed to that.

The Deputy Chairman: Is it the minister's suggestion that section 239 be removed from the group which we are

studying at present? Perhaps the Chair could make the suggestion that the section be stood and that the committee carry on with the examination of the group of sections until we reach section 239.

Mr. Gray: Mr. Chairman, perhaps my choice of words was not the most appropriate. I do not claim to be completely familiar with the manner in which the committee has been dealing with subsections to which hon. members are proposing amendments which are then stood for study. I did not suggest that we attempt to dispose of clause 239 but, rather, that it should be stood to give the government an opportunity to consider the amendments just now proposed by two members of the official opposition, and that the committee dispose of the other sections under the general grouping before it.

Mr. Knowles (Winnipeg North Centre): The handling of this bill is unique in our history, but I really do not think there is any difficulty about the matter now before us. We are considering the group of sections from 220 to 244, but the one Your Honour called is 220, so we are having a general discussion. Now we have notice that when we get to section 239 there are two amendments that have been moved. All we are agreeing to is that those amendments wait until Your Honour calls section 239. In the meantime we are still on the general discussion sparked by the calling of section 220.

The Deputy Chairman: Shall section 220 carry?

Clause 1, section 220, agreed to.

The Deputy Chairman: Shall section 221 carry?

On clause 1—section 221: *Regulations.*

Mr. Bigg: Section 221(2) at page 530 provides for retroactivity of the regulations under the act. As we all know, the regulations are often more important than the statute. It appears to me that even when the act has been published the taxpayer will not know what he is facing until the regulations are out, and the regulations may well provide inherent, unseen dangers and pitfalls in the tax structure. Therefore it is most difficult today, when any businessman, farmer or taxpayer of any kind has to set his house in order, has to look to the future, see whether it would pay him to incorporate or not to incorporate, to be a partner or not to be a partner, to know what regulations he is facing. As I read this bill, he might even become delinquent under the law, faced by regulations of which he has no knowledge whatsoever. This is not only taxation in retrospect but in many cases it is jeopardy in retrospect.

When we are breaking new ground in almost every facet of Canadian life in this bill, it seems to me that we must be very careful that the taxpayer knows what dangers he is walking into. If we are to have regulations which are more intricate than ever—and goodness knows the bill is hard enough to understand with its seven pounds of intricate and devious writing; and the regulations will no doubt be more voluminous—the taxpayer must know exactly what his tax position is. We are breaking new ground in the matter of retroactivity, and I would like to see the point clarified. The regulations should be ready at the time the act is passed, certainly where they have any definite effect on the taxpayer, his right to his property and money that he may or may not owe the government.

This is a very dangerous section of the act in that apparently there is no limit on how far back you can go. I am only guessing, but I presume that he can only go back one fiscal or one taxation year. Today when you are putting the onus of proof on the taxpayer, the government can go ahead and do what it likes and it is up to the taxpayer to prove that he has been unjustly treated. If it is not written into the act, I presume he would have no resort. I do not like the word "presumption" and I do not like the taxpayer having to presume anything. He should be able to read in simple, basic English regulations which are not devious but are well understood and have no retroactivity whatsoever.

I would be quite willing to resume my seat if the minister or any person speaking on his behalf would clarify this issue and tell us how retroactive this section is and whether it is needed at all. I do not see any need for retroactivity. It is bad enough to be taxed in the new field, but how retroactive is that tax with its double and triple penalties and even the possibility, under section 239(2) which we have just discussed, of a taxpayer facing criminal charges for being negligent under this voluminous legislation?

• (9:10 p.m.)

If a person is a day late filing his income tax return he may be subject to all these penalties. The matter is left to the judgment of someone who is not even a judge and who may not even be trained in the law. That someone can be a member of the ruling party of the day, and under the legislation he will have the responsibility of determining who is and who is not to be treated as a criminal. Then when the trial takes place, the taxpayer suddenly finds himself in the very reverse of the position he occupied under common law and criminal law of being deemed innocent until proven guilty. Here we have a perverse regulation forcing the taxpayer to prove himself innocent of any offence under the law. Such a regulation can make a criminal out of him and he may carry a criminal record for the rest of his life. He may be sent to jail for at least two months, if I read the bill correctly. If it does not mean that, at least no one on the government side has risen to say exactly what it does mean.

The bill says in plain language what the penalty will be. It says it may be up to a five-year prison term and no less than two months. We have a retroactive provision in section 221(2) which is adding insult to injury. It is a very serious matter. People are worried about the unknown pitfalls of taxation. It is impossible for a man to order his business, arrange his family affairs and decide whether or not he should incorporate. I know that I am repeating myself, Mr. Chairman, but this is an important point. We are being asked to rush this bill through the House. We are getting the same old blackmail that we always get when Christmas is arriving: You won't get home to see your families unless you hurry up and pass this bill—which nobody wants or understands.

There have been 148 amendments already submitted. We are getting more every day. We are not unreasonable when we see a minister of the Crown attacking the problem with forthrightness, fairness and candour, and when an amendment is reasonable we will pass it with very little

discussion. That has been demonstrated already today. There are many provisions in the bill that need to be questioned. I have been following the debate closely, and most of the points have been made by hon. members on this side of the House. The 148 amendments submitted by the government are not really helpful in making this bill a reform of the tax law. But well thought-out amendments have been submitted by hon. members on this side of the House and I know that some of them have met with approval of hon. members opposite. However, I am a little disappointed that we do not hear more from those hon. members.

I know that hon. members opposite must be getting mail dealing with this bill. My mail is mountainous. People want to know where in the world we are going. They want to know what to do about estate planning, about passing on the little estate that may be left to them after the enormous taxes that people in this country are experiencing. It is expensive to incorporate and it is just as expensive to get out of being incorporated.

We do not know where the law is taking us. We do not know what incorporation will mean by the time this bill is passed. We do not know what the regulations interpreting the bill will mean. That interpretation is important and dangerous. If those interpretations are made retroactive, then not only are we in a fog but we are in a bog—and it isn't easy to get out of a bog when you are in a fog.

[*Translation*]

Mr. Clermont: Mr. Chairman, I have a very brief comment on section 221 (2) in order to demonstrate its usefulness. I will give an example.

If after a budget speech the minister of Finance announces amendments to the Income Tax Act, the bill submitted to the House to obtain Parliament's approval for these amendments may be adopted after two or three months only and if i understand well subsection (2), regulations cannot be retroactive. Regulations are promulgated following the amendment of an act and I understand that section 221 (2) is necessary in the case I mentioned and in other cases.

[*English*]

Clause 1, section 221, agreed to.

Clause 1, sections 222 to 224 inclusive, agreed to.

The Chairman: Shall section 225 carry?

Some hon. Members: Carried.

The Chairman: Shall section 226 carry?

On clause 1—section 225: *Seizure of chattels.*

Mr. Lambert (Edmonton West): On section 225, Mr. Chairman, again this is a provision that had been in existence, and I believe it was my colleague from Parry Sound-Muskoka who spoke about the difficulties connected with the ten days' notice. In this day and age of less than efficient mail service, with only a five-day delivery per week, unless the notice emanates from the office of the local director of taxation there may be considerable delay in having it delivered.

I wish to ask whether the notice will emanate from the local director of taxation, in which case it might be deemed to be relatively local mail, or does the notice come from the enforcement section of the Department of National Revenue, in which case it emanates from Ottawa? In the latter case ten days' notice is not sufficient for some of the rural areas of the more distant provinces where there is no such thing as next day delivery.

On this matter I do not speak from lack of knowledge. I know that if a letter is mailed in Ottawa on Wednesday and gets to, say, Grand Prairie, Alberta, on Friday it may sit there and not be delivered until the subsequent Monday, and in some communities it may not be delivered until the following Tuesday. We know that in the larger cities in particular, with the accumulation of mail from Friday afternoon through Saturday, Sunday and Monday some mail cannot be delivered on the Monday. All this delay eats into the ten days' notice period. If the parliamentary secretary can tell me that the notice period will be from the date of receipt of the letter by registered mail, and that there is an unequivocal interpretation of that, I will be satisfied. But if the dispatch of a letter by registered mail is being considered, say, from Ottawa through to northern British Columbia or northern Alberta—

• (9:20 p.m.)

Mr. Alexander: Or Hamilton.

Mr. Lambert (Edmonton West): —or to any point like that, then those ten days are eaten into. What is meant by the registered mail provision? Is the time to apply from the time of the signature for the registered letter? Does the period start from the time of the signature, or does it begin with the date stamp on the letter which may have been registered for greater certainty of delivery?

Mr. Alexander: Sometimes one cannot trust even that method of delivery.

[*Translation*]

Mr. Clermont: Mr. Chairman, may I ask the hon. member for Edmonton West whether he would like a period of so many days to be set, since I see no 10 or 15 days stipulated in section 226?

Mr. Lambert (Edmonton West): We are dealing with section 225.

Mr. Clermont: Mr. Chairman, I thought you had called section 225 and that it was carried.

Mr. Lambert (Edmonton West): Yes, but I was on my feet at that point.

[*English*]

The Chairman: I wondered whether the hon. member for Edmonton West was directing his remarks to section 225 or section 226. Section 225 was called and carried. Was the hon. member addressing his remarks to section 226?

Mr. Lambert (Edmonton West): No, to section 225. I was on my feet. I heard Your Honour call it and I said "No." I had my hand up at the time. I realize that it may be difficult for the Chair to hear members who are farther away than others. Some members may take objection to parts of a section. I want information, I am not objecting. I want clarification of section 225.

[*Translation*]

Mr. Béchard: Mr. Chairman, it may be that, inadvertently, section 225 seemed to have been agreed to, but I did see

the hon. member for Edmonton West object at that point. So—

[*English*]

The Chairman: The Chair did not notice that the hon. member for Edmonton West was objecting. I appreciate that he may have done so; it may be that I did not see him. The Chair was trying to be careful and not move too quickly. I think it is important for these matters to be aired in this informal manner. Does the committee consent to revert to section 225, deal with the matter raised by the hon. member for Edmonton West and then deal with section 226?

Some hon. Members: Agreed.

[*Translation*]

Mr. Clermont: Mr. Chairman, may I suggest that section 225 be allowed to stand for a few minutes? I thought that section 225 had been passed; this is why I was referring to section 226 and I could see no section concerning a time limit. Then the hon. member for Edmonton West—

Mr. Lambert (Edmonton West): Nevertheless I spoke long enough about it.

Mr. Clermont: Does the hon. member accept my suggestion to stand section 225 for a few minutes? I hope to give him the information which he requested.

Mr. Lambert (Edmonton West): Agreed.

[*English*]

The Chairman: Is it agreed that section 225 shall stand?

Some hon. Members: Agreed.

Clause 1, section 225, stands.

Clause 1, sections 226 to 229 inclusive, agreed to.

The Chairman: Hon. members will note that an amendment to section 230 was proposed by the Minister of National Revenue on October 22, 1971, as reported at page 8959 of *Hansard.*

Amendment (Mr. Gray) agreed to.

Clause 1, section 230, as amended, agreed to.

The Chairman: Again, hon. members will note that the Minister of National Revenue proposed an amendment to section 231, as recorded at page 8959 of *Hansard.*

On clause 1—section 231: *Investigations.*

Amendment (Mr. Gray) agreed to.

The Chairman: Shall section 231 carry?

Mr. Lambert (Edmonton West): One moment, Mr. Chairman. I think the hon. member for Parry Sound-Muskoka wished to introduce an amendment to section 231. I had been talking with the hon. member for Bonaventure, the Parliamentary Secretary to the Minister of Justice, with regard to the precise answer that applied to section 225, and now we have arrived at section 231. I am particularly interested in subsection (13).

Some of my colleagues have raised points with regard to section 231 and I hope we get answers before the section is passed. The Parliamentary Secretary to the President of the Privy Council knows of the comments I made with regard to the provision of answers or non-answers, and I prefer to leave it at that unless we are to be denied answers. I am not suggesting that the answers will necessarily be the ones we want, but at least we should be given some answers.

On clause 1—section 225: *Seizure of chattels.*

Mr. Clermont: Mr. Chairman, coming back to section 225, I am informed that the powers under sections 225 and 226 have been exercised in headquarters at Ottawa only.

Mr. Lambert (Edmonton West): Mr. Chairman, with the greatest respect, in his statement on section 225 the hon. gentleman referred to powers that have been exercised in the past. But the whole act is back on the table, and I could not care a damn what was exercised in the past.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): What I am concerned about, in seeking information under section 225, is the time from which the ten days begins. Does it run from the time the official of the Department of National Revenue takes the letter to the post office and the date stamp appears on the letter, do the ten days begin whenever the addressee or his representative signs the deliveryman's book acknowledging the receipt of a registered letter or from the time he goes to the post office and signs a book acknowledging receipt of the registered letter?

From what time and from what date will the ten days run? That is a question of information and it is not a question of what was the practice heretofore. I was not asking for an immediate answer. I am prepared to give whatever time is required. Surely a question of this nature is capable of receiving a very simple, administrative answer.

[*Translation*]

Mr. Clermont: Mr. Chairman, we shall accept the suggestion made by the hon. member for Edmonton West that section 225 be made to stand, but I was under the impression that he was asking for some explanations. I have given him the information that the officials gave me but, apparently, that is not satisfactory to him. So, I accept his suggestion that section 225 be made to stand so that it may be considered later on.

Mr. Lambert (Edmonton West): That is good practice, but tell me what it is all about.

[*English*]

Mr. Jerome: Mr. Chairman, I wonder if this would be an opportune time for me to interject an announcement. There have been discussions about the business of the House for tomorrow. We will continue in committee of the whole on the tax bill and deal with clause 2.

• (9:30 p.m.)

I wanted to make that abundantly clear so we are not faced with any confusion on clause 1. We will discuss clause 2 which appears at page 596 and deals with the repeal of federal succession duties and the Estate Tax Act. We would go on to other business on Thursday. There has been preliminary discussion about whether we would return to other sections which have already been dis-

cussed, but for tomorrow it is agreed that we will deal with clause 2 of the bill.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, is the parliamentary secretary reasonably hopeful that we will not take as long on clause 2 as we have on clause 1?

Mr. Jerome: Very much so.

The Chairman: To review the position, it is the understanding of the Chair that section 225 was stood by consent and it is the understanding of the Chair that with the consent of the committee it shall remain stood. The committee next has under consideration section 231(2) to which there is an amendment moved by the Minister of National Revenue. That amendment was put to the committee and passed. I am now prepared to put the question. Shall section 231 as amended carry?

On clause 1—section 231: *Investigations.*

Mr. Clermont: Mr. Chairman, may I propose to the hon. member for Edmonton West that section 231 be made to stand?

[*English*]

Clause 1, section 231, stands.

Clause 1, sections 232 to 234 inclusive, agreed to.

The Chairman: Shall section 235 carry?

On clause 1—section 235: *Penalty for failure to make returns.*

Mr. Lambert (Edmonton West): Mr. Chairman, this of course relates to section 239 and in the same way but to a lesser degree to section 233. In section 233 there is an obligation to file information. It is not a return, but failure to file the information as a result of the request by the minister, which means one of his officials, is non-compliant with the act. It is unfortunate that the Minister of National Revenue is not present.

There are a number of areas in which regulations can be made and authorized. There are a number of new sections which will call for new regulations. Section 221 authorizes the Governor in Council, on the recommendation of the minister, to make regulations in order to carry out all general purposes of the act. Following the presentation of a brief by the Canadian Chamber of Commerce to the Minister of Finance on Bill C-259, a letter from that body dated November 17 suggested that the public should see the regulations in draft form before the act was finally passed. This was done by the Minister of Industry, Trade and Commerce in connection with the textiles bill when the regulations that would be applicable were tabled in draft form. The committee on Finance, Trade and Economic Affairs did not put a stamp of approval on the regulations but at least the public knew what they were.

The regulations under the Income Tax Act may be half as thick as the act which is before us. Certainly the regulations as they existed were about the same thickness as this blue, unilingual version of Bill C-259. There are many new terms and concepts in this bill which will have to be defined and explained by way of regulation, yet the Canadian public has seen nothing although the act is supposed to take effect on January 1, 1972.

There is no one here from the Department of National Revenue. It is unfortunate that the officials cannot speak because I would like to know whether they have any regulations ready with regard to capital gains and with regard to mining and petroleum which will be effective on January 1.

An hon. Member: They don't care.

Mr. Lambert (Edmonton West): If valuation day should be in the latter part of December, how can we tell whether a capital gains tax is payable if there are no regulations? Canada will be in the most ludicrous position. It will have a capital gains tax in effect but the vendor, the purchaser nor representatives of the Department of National Revenue will be able to tell what regulations bear upon transactions starting January 1, 1972. We are supposed to be running a logical, intelligent operation. I wish the officials could talk and tell us if the regulations are ready. Can either of the parliamentary secretaries tell us whether the regulations are ready on capital gains?

Mr. Clermont: Mr. Chairman, I understand that section 235 deals with penalty for failure to file returns. It does not deal with regulations generally.

Mr. Lambert (Edmonton West): Is that an answer, when this section deals with a failure to file a return pursuant to regulations passed under other two sections? Does the parliamentary secretary have the gall to tell us that this does not deal with regulations? I will specify it: Are the regulations with regard to sections 215 and 221 ready? I want to know.

• (9:40 p.m.)

It may be that because they are a carryover the regulations will be much the same. But they have not been enacted. They would have to be enacted by a new order in council to make reference to the new sections. Even if section 221 has been passed, I am still in the general area and can talk about this subject. Have the regulations been made with regard to these matters?

Maybe the parliamentary secretaries do not read this kind of correspondence, but the Canadian Chamber of Commerce has asked for assurance that they will see regulations which will affect transactions starting on January 1. The parliamentary secretary will agree with me that if there is a transaction in the first week of January which is to be affected by regulation, the parties to that transaction should surely be in a position to know what the regulations are. The regulations might completely change the position of the parties. I want to see them. Surely to goodness we should be entitled to an answer.

Where is the Minister of National Revenue? I was assured yesterday he would be on duty today so as to answer questions. I do not hold it against the two hon. gentlemen who are here. They have not been placed in the position of having the information. Merely to sit there and have to take abuse is an ungrateful job, I understand that. But information of this kind is vital to the committee when it is called upon to determine whether it will pass sections under which vital regulations are supposed to be made. The bill is supposed to be operable in a month from now. Will the regulations be ready by January 1?

[*Translation*]

Mr. Béchard: Mr. Chairman, I rise on a point of order.

Could I put a question to the hon. member for Edmonton West?

Mr. Lambert (Edmonton West): Certainly, but it is not up to me to answer questions.

Mr. Béchard: Mr. Chairman, could the hon. member for Edmonton West refer to some cases where, during consideration of a bill, regulations were introduced before the end of the consideration of the bill?

Mr. Lambert (Edmonton West): Yes, Mr. Chairman. In several cases, the act was not to become effective before a given date. The act was subject to promulgation.

Mr. Béchard: Give an example.

Mr. Lambert (Edmonton West): I shall refer to the case of the Textile and Clothing Board Act. This Act was not promulgated before the regulations governing the activities of the Board. But the minister was sensible enough to make these regulations before the passing of the Act; he introduced them so that they be considered by the members of the Committee on Finance, Trade and Economic affairs. As I explained, everybody was there, witnesses from the textile industry, manufacturers or importers, and they knew what it was all about.

I hope it is a good example, but what makes the big difference is the fact that the whole Bill C-259 will be effective on January 1, 1972, and there will be a capital gains tax.

Since there will be regulations on capital gains—

Mr. Béchard: There will be.

Mr. Lambert (Edmonton West): Yes, of course, and we cannot expect the world to stop, nor trade nor business for that matter. But parties to a deal are at least entitled to know the rules governing such deal. I am merely asking a question.

Will the regulations be ready by the first of January?

Mr. Béchard: Yes, if the bill is carried.

Mr. Lambert (Edmonton-West): Nonsense, Mr. Chairman, the regulations will be ready! So I shall ask the parliamentary secretary whether he went to the other place this evening to get the report of the chairman of the Committee on Banking, Trade and Commerce. What were the very "close" comments made by those who form the majority in the Senate, and what will be done about them?

Mr. Corbin: We will make you a senator.

Mr. Lambert (Edmonton West): All right, you are the first candidate.

Mr. Lambert (Bellechasse): A senator, what is that?[dd]

Mr. Lambert (Edmonton-West): I want to know. I have been assured that the Minister of National Revenue would be here to give answers.

I know that the necessary information is not given to the Parliamentary Secretary of the President of the Treasury Board. He cannot tell us whether there will be regulations or not. It is not his jurisdiction. I am not blaming him personally. It is the system.

Mr. Clermont: Mr. Chairman, I would like to make a correction as to the impression which the hon. member for Edmonton West may have left, probably unwittingly, concerning today's debate. He said that the parliamentary secretaries to the Minister of Justice and to the President of the Treasury Board respectively had been listening. In order to get things straight, I wish to specify that in most cases, members who asked questions got answers from the Minister of National Revenue, the Parliamentary Secretary to the Minister of Justice, or myself. I wonder if more than two amendments—I am not talking about amendments proposed by the government, of course—have been carried in any one day of debate on this bill following a suggestion from members of the Official Opposition.

As for regulations which the government might introduce once the Act has been passed, let me say that I belong to a responsible party whose task it is to govern this country, and that if the bill goes through Parliament, I have no doubt that regulations will follow.

[*English*]

Mr. Lambert (Edmonton West): The parliamentary secretary should know that unfortunately he is not in a position to give an undertaking on behalf of the government. I know he is making his statement in good faith and that he hopes these regulations will be forthcoming in good time. But what we want to know from the Minister of National Revenue, who is the minister in charge of the administration of this act, is whether they have the regulations ready—whether they will be ready by January 1, 1972.

I do not wish to repeat myself six times in order to get this information. I should like to make progress with this group of sections, but since we cannot I am quite prepared to see this one stand and go on to some of the others.

• (9:50 p.m.)

[*Translation*]

Mr. Clermont: Mr. Chairman, may I suggest that section 235 be stood?

[*English*]

The Chairman: Is it agreed that section 235 stands?

Some hon. Members: Agreed.

Clause 1, section 235, stands.

Clause 1, section 236, agreed to.

On clause 1—section 237: *Application for assignment of social insurance number.*

Mr. Lambert (Edmonton West): Mr. Chairman, I do not mentary Secretary to the Minister of Labour will laugh on know whether members of the committee know this, but under the Income Tax Act it is an offence to fail to show one's social insurance number on one's income tax return. That is in non-compliance of the act, subject to regulation of course and also subject to penalty. Perhaps the Parliathe other side of his face—

Mr. Perrault: I am not laughing at the hon. member.

Mr. Lambert (Edmonton West): —if he gets caught under section 239 because he failed to catch this little point. This is bureaucracy gone mad.

Clause 1, section 237, agreed to.

Clause 1, section 238, agreed to.

On clause 1—section 239: *Offences.*

The Chairman: There is an amendment proposed to this clause by the hon. member for Edmonton West.

[*Translation*]

Mr. Clermont: Mr. Chairman, I would like to suggest that section 239 be stood.

[*English*]

The Chairman: Is it agreed that section 239 shall stand?

Some hon. Members: Agreed.

Mr. Lambert (Edmonton West): Mr. Chairman, there is a further point under subsection (4) of section 239. This provision is completely new:

> Where, in any appeal under this act, substantially the same facts are at issue as those that are at issue in a prosecution under this section, the Minister may file a stay of proceedings with the Tax Review Board or the Federal Court, as the case may be—

Then it provides that either the board or the court must stay the proceedings. Since the Minister of National Revenue is now in the committee perhaps he could tell us why priority is given to the criminal proceedings under section 239 as against the proceedings in the Federal Court, trial division. If a case has some element in it involving criminal proceedings, why are these proceedings given priority? Why are the criminal proceedings not dealt with subsequent to completion of the civil case?

Mr. Gray: Mr. Chairman, I think two comments might be made in response to the hon. member's question. First of all, it seems to me that if the type of procedure contained in the proposed subsection was not available, there could be two separate tribunals dealing at the same time with similar facts and one can see there could possibly be unfairness to the taxpayer concerned. There is a second point I should like to check and I will speak to it in a moment or two.

Mr. Lambert (Edmonton West): Mr. Chairman, since this is an important point and we have a new provision here, I think the minister should take this under advisement. I want to know why criminal proceedings have priority over civil proceedings. Criminal proceedings are directed by the Attorney General on the one side and the Minister of National Revenue is being asked to comply with the desire of his colleague to enter a stay of proceedings on the civil side. This would mean that the proceedings before the Tax Review Board or the Federal Court would be stayed. I feel the priorities are reversed here.

Mr. Gray: Mr. Chairman, I see it is about ten o'clock and perhaps it would be more helpful to the committee if I attempted to provide the information to the hon. member at the next session of the committee.

The Chairman: Is it agreed that we call it ten o'clock?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

THE CANADIAN ECONOMY—FOREIGN OWNERSHIP—LEAKING OF REPORT TO CABINET—DESIGNATION OF ALL GOVERNMENT DOCUMENTS AS PUBLIC UNLESS OTHERWISE INDICATED

Mr. Doug Rowland (Selkirk): Mr. Speaker, on Monday, November 15 I asked the Acting Prime Minister (Mr. Sharp) whether the government was also considering reversing current government policy which requires that government documents be confidential unless otherwise designated so that all government documents would be public documents unless otherwise designated by the government. To this he replied:

> Mr. Speaker, I am sure I speak for all those who have been charged with responsibility for government when I say that unless there are confidential relations between public servants and the government the whole system breaks down, and that is what is at issue here.

Mr. Speaker, I asked that question because it is distressing to me to see so much time and energy being devoted to, and so much glee and chagrin being displayed over the making public of a document that should never have been secret in the first place. The information being compiled by the Minister of National Revenue (Mr. Gray) in order to assist the government in coming to a decision on the whole question of foreign ownership in Canada is being compiled at the expense of the taxpayer. It is of vital interest to the entire nation and is information that is essential to proper judgment being made about the policies which would be based upon the data being compiled by the minister.

The report should have been a public document. If it had been, we would not now be subjected to this tempest in a teapot. But my concern goes beyond the so-called Gray report and the alleged cabinet minutes of July 29. My concern is to see the entire existing concept of secrecy of government documents—that is to say, that the documents are considered to be classified documents unless declared to be otherwise—reversed. I want to see the whole system reversed.

• (10:00 p.m.)

My question arose out of a belief that there is an increasing desire on the part of the public to participate more directly in the making of the decisions which inevitably affect them. My question arose also out of the belief that the power of the legislature to control the cabinet has been diminishing and ought to be increased. In our society information is power. When one party in an argument or a dispute or a discussion has a virtual monopoly on information, the exercise is extremely one-sided. Participatory democracy is a meaningless phrase if only the government has the information necessary to participate mean-

ingfully. Legislative control of the executive is virtually non-existent if the legislature does not have ready access to the information necessary to exercise that control.

For those reasons current regulations governing the secrecy of government documents make a mockery of our claims to democracy, participatory or otherwise. Instead of requiring that all government documents be confidential unless otherwise designated, the government should make all documents available upon request unless they have been specifically designated as confidential. Naturally, there would have to be limitations and exceptions to this general rule. My colleague from Surrey-White Rock (Mr. Mather) in 1965 submitted a private member's bill to this House which said that the law that documents should be accessible to the public should not apply to records or information that affect national security, that are exempted by statute from disclosure, that concern trade secrets and commercial or financial matters of a privileged or confidential nature obtained from private persons, or that concern cases where the right to personal privacy excludes the public interest.

The crucial point is that the principle would be reversed; the right of free access would prevail. Given the limitations already outlined, limitations which should be set out explicitly in the constitution or in a secrecy act, a person should have access to any administrative document without proving that he has a legal interest in that document and without stating the purpose for which he wishes to see it. Further, such documents should be made available immediately or as soon as reasonably possible.

Moreover, a citizen should be able to file a petition with the courts if he is unable to obtain documents within a reasonable time. The argument advanced against my proposal was that unless there are confidential relations between public servants and the government, the whole system breaks down. It is not good enough to say that civil servants will not be as candid in their submissions to the government if their submissions might be read by the public. One could argue that, if anything, to protect their reputation their documents would be more candid. For one thing, the personal proclivities of their immediate superiors would weigh less heavily with them.

As with so many proposals for social change, the predictions about the consequences are not based on fact but on fancy and are often greatly exaggerated. To permit access to government documents as a natural right would not destroy our democratic system but, rather, would enhance it. We would not be the first country to adopt such a law. For over 200 years Sweden has provided open access to official documents and provided full information to any citizen about administrative activities. There are many many sources which indicate it has been far from harmful to the Swedish system.

There are so many indications of undesirable effects which result from government secrecy that the whole principle must be seriously questioned. The list of minor stupidities and major disasters which have resulted from this policy is endless. The concept of mindless governmental secrecy is incompatible with democracy, with the people's natural right to have access to the information upon which policy decisions are based. Canada inherited its love affair with secrecy from the archaic and outdated system of absolute monarchy and it has been preserved by successive governments and officials mainly for thieir own convenience, to protect themselves against the consequences of possible error.

I suggest it is time to reverse that policy. It is time to make information available to all sectors of the public so that the public and Parliament can discuss matters intellingently and with full knowledge, and so influence government policies. It is time to reverse that policy so that we will not be subjected to any more of these ridiculous debates about who did what, where, when and how with respect to a document which should have been public knowledge in the first place.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker—

Mr. Knowles (Winnipeg North Centre): All dressed up.

Mr. Danson: I thought it was a formal debate. I was prepared with what is perhaps a reasonable and logical answer which would be obvious to any thinking citizen in tonight's debate, but the hon. member for Selkirk (Mr. Rowland) referred to ridiculous situations and ridiculous debates and I think that is what is taking place tonight. When he mentioned the so-called Gray report and the cabinet minutes of July 29, he is talking about a figment of imagination to an extent. This is not government policy. They are cabinet doducments. No doubt there have been agreements in principle, but situations do change and this is the reason for some degree of secrecy.

When the hon. member for Selkirk discussed the question of people participating in decisions of government and referred to participatory democracy he was talking about what this government has been practising. The fact that there is some discretion and caution used in the public interest with regard to the secrecy of documents is another question completely. He spoke about regulations. There are no regulations relating to this. There is the report of the Royal Commission on Security, the abridged edition of June, 1969. The matter is dealt with on page 69, but I cannot use up all my time dealing with this. It is a matter of common sense practice. The hon. member mentioned the Swedish experience. People from our government have gone to Sweden and examined their system. The Swedish people are not that happy with it and they are not getting more information.

This is a sensitive issue, but it is also a key issue and it is important that the hon. member raises it because we live in a democratic system and the matter of secrecy within government is a very important one and one which should be dealt with, I think, in the way in which the hon. member has begun to deal with it. But I think the arguments should be more compelling.

It is a matter of government practice that civil servants and officials cannot deal with one another in complete frankness when they think that information is readily available. I think it is a matter of government discretion, but if that discretion is being abused it is the duty of hon. members opposite, such as the hon. member for Selkirk, to get up in the House, as he has tonight, and challenge the government and question whoever the government of the day may be to find out whether this secrecy is not being abused, to ensure that the public interest is being looked

after and also to ensure that too much secrecy is not being imposed.

I have often wondered about the value of these "late show" debates, but this is a perfect example of their value because government officials and civil servants become sensitive to public opinion, and this is a form of protection. Officials and civil servants must be frank with one another but not overcautious—

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

MANPOWER—AVAILABILITY OF JOBS IN THOMPSON AND SUDBURY

Mr. David Orlikow (Winnipeg North): On November 18 I asked the Prime Minister (Mr. Trudeau) on what information he based the statement he had made a day or so earlier in which he said that while there was large-scale unemployment, every person who really wanted a job could find one. He used as an illustration of this claim the fact that supposedly jobs were available for miners in Thompson, Manitoba, and Sudbury, Ontario, when in fact in Thompson, Sudbury and at Port Colbourne some weeks earlier the International Nickel Company had begun a series of lay-offs.

• (10:10 p.m.)

I was appalled by that flippant remark of the Prime Minister, not just because it was flippant in relation to a very serious problem but because I thought that with his large and supposedly efficient staff, much greater in size than that of any other Prime Minister in Canadian history, he would have been better briefed. He simply did not have the facts. As I say, lay-offs had begun at Sudbury and at Thompson weeks before the Prime Minister made his remark.

The situation with regard to unemployment is serious. In October, 1971, the last month for which we have figures, there were 447,000 people unemployed. The seasonally adjusted rate for unemployment was 6.7 per cent, the highest October rate in more than ten years. For more than 18 months the percentage of unemployment on a seasonally adjusted basis has been over 6 per cent, and in September we had the almost unprecedented rate of 7.1 per cent.

One would think that if there were a large number of vacancies our Canada Manpower centres would know about them. After all, Mr. Speaker, we have been pouring increasingly large amounts of money, hundreds of millions of dollars, into the various programs of the Canada Manpower centres. According to the *Financial Times* News Service in November over 480,000 people who were looking for work were registered with Canada Manpower centres in the major cities of Canada and the number of job vacancies which the Canada Manpower centres had on record was just 48,000. In other words, the number of people looking for work was ten times as many as the number of jobs available for them.

Yesterday the Economic Council of Canada issued a report which ought to make even the Prime Minister, who has been so unconcerned about unemployment, worry a little. It pointed out that we face the formidable job of finding 1,400,000 new jobs in the next five years, almost twice as many as we have been able to find in the last few years.

The report points out that if we are to reduce the percentage of unemployment to 3.8 per cent, which is not a figure picked out of the air because it was the average rate of unemployment in the last three years of the Pearson government, we will have to increase the number of new jobs at a rate of about 3½ per cent per year. But, Mr. Speaker, we have not done better than increase that number by about 2.2 per cent per year. So we have a tremendous task before us. The government began that task late.

Some weeks ago the Minister of Finance (Mr. Benson) announced a new program. I suppose one could say that late conversion is better than no conversion at all. I close by saying that the unemployment problem will not be solved and our thinking about the problem will not be helped by the kind of flippant witticisms to which the Prime Minister so frequently subjects the country.

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, concerning the recently reported lay-offs at the International Nickel Company of Canada Limited, the situation arose because of the sharp decline in world markets for nickel. As a consequence, the company laid off some 250 salaried workers at Sudbury, Thompson, and at head office in Toronto. Some 445 hourly personnel were laid off at the company's refinery in Port Colborne, Ontario. In addition, the company suspended the hiring of miners and smelter workers at its Sudbury and Thompson operations. It was indicated that no significant lay-offs of production workers would occur at either of these sites due to the fact that normally high attrition rates due to quitting, retirements and other personal reasons would not necessitate a lay-off of personnel. Prior to the suspension of hiring of miners and smelter workers the company recruited several hundred workers every month during 1970 and up to late October, 1971, for its Sudbury and Thompson operations. This happened quite recently.

Concerning the job vacancies in metal mines generally, the number of job vacancies registered with Canada Manpower centres for 1971, up to the end of October, averaged 1,655 per month. To fill these vacancies an average of 2,215 referrals per month were made by Canada Manpower centres during the period concerned. Based on periodic reviews and analyses of hirings and separations information that is available for certain sectors of the mining industry, it is apparent that some mine operators experience a fairly heavy turnover of workers. This accounts for a considerable number of the job vacancies that arise in the industry every month.

For some mine operators the availability of adequate numbers of qualified workers presents difficulty. As a consequence, representations are made by these mine operators to promote and publicize the industry in order to attract workers to it. In addition, requests have been made by mining companies that a recruitment program for foreign workers should be implemented by the government to alleviate problems encountered in obtaining adequate numbers of qualified workers. In view of the general availability of workers in Canada, the response of the Department of Manpower and Immigration to these

requests is that no program for the recruitment of foreign miners can be considered.

Mr. Orlikow: What kind of answer is that?

Mr. Knowles (Winnipeg North Centre): Was that an answer to the question?

Mr. Danson: It was an excellent answer.

Mr. Knowles (Winnipeg North Centre): You and your dress suit!

REGIONAL ECONOMIC EXPANSION—GRANT TO UNION CARBIDE, BEAUHARNOIS—LOSS OF JOBS AT WELLAND

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I hope the Parliamentary Secretary to the Prime Minister (Mr. Danson) does not read the same answer that he read in reply to the previous question when replying to the point I am about to raise.

Mr. Knowles (Winnipeg North Centre): It would be just as relevant.

Mr. Broadbent: Two years ago, during this period, I was on my feet objecting to the fact that the government had given Duplate Canada, Limited, three quarters of a million dollars to move part of its operation from Oshawa to Hawkesbury. All that did was to move employment from one part of Ontario to another at public expense. The excuse given at that time by the minister responsible was that the legislation did not allow for discretionary authority, that certain formal requirements had been met and that the grant had to be made. Apparently Duplate Canada, Limited had met the formal set of criteria and therefore had been given this money from the taxpayers.

That answer was not entirely acceptable even at that time but was, within limits at least, a plausible kind of argument. We were assured, when the legislation was subsequently amended to give the minister discretionary authority in matters involving regional grants, that such foolish use of public funds would not be repeated. The members of my party and I specifically supported the change in the legislation that would give the minister discretionary authority. I did so at that time with the provision, if you like, that I would look with particular interest at future grants made by the Department of Regional Economic Expansion. It seems that the bad habits are repeating themselves. A week ago Aerovox Canada Limited was given a $235,000 grant to move part of its operation, and therefore its jobs, from the city of Hamilton, Ontario, to Amherst, Nova Scotia.

• (10:20 p.m.)

This wonderful act was not to be let alone. It was followed by the announcement about a week later, by the same department, that the Union Carbide Company of Canada was going to be given approximately $1.3 million to move from Welland, Ontario, to Beauharnois, Quebec, thus taking 70 jobs from the province of Ontario—shuffling unemployment around within the country.

It seems to me that the issue is very clear, Mr. Speaker. At the very best the minister is not making wise decisions. He is not spending public funds as they were intended to

[Mr. Danson.]

be spent in terms of regional development in the country. He is simply creating unemployment, in this case in the province of Ontario, by providing jobs elsewhere. This, of course, is unjust and unfair to the workers directly involved in this province and raises the important question about the future of the regional development program in general.

The program has always been dependent on the strength and viability of the economy of Ontario. Throughout, not only this government's regional development plans but those of preceding governments have relied on income transfer payments generated by the economy of this province being shifted to those areas of Canada less well off. I think this is a highly desirable process. But if this government continues to make grants to companies simply to move from the province of Ontario to other parts of Canada, not only will we be doing an injustice to the workers directly involved in this province but we will be building up general opposition in Ontario to the whole idea of regional development.

It is one thing to appeal to a worker in this province on the basis of some commitment to principle, to equity, to the idea that we must use funds to encourage development outside the province, but it becomes quite unacceptable to the same worker when it is evident that the funds are being used not simply to create jobs elsewhere in the country but to take his job out of his province. If the government keeps this up it will be undermining the acceptance of the program in Ontario.

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, unfortunately the eloquence of the hon. member is not supported by the facts of the situation. I made inquiries this afternoon and understand that the company will make a statement tomorrow. Without wishing to prejudge, I think there are certain relevant facts which should be brought to the attention of the House. The first is that the number of people affected by the action is not 350, but 70.

Mr. Broadbent: I just said 70.

Mr. Roberts: In the House earlier the hon. member referred to 350 workers. That is true on the metals side of the operation of the industry. There is the expectation that 70 people will be affected. By late 1972 the graphite and carbon section of the operation will be sufficiently active to employ a significant number of the 70. Second, the fact is that the furnaces in operation in this project are all of pre-World War I vintage. They are obsolescent and do not meet the pollution standards of Ontario. The result is that three of them must be discontinued almost immediately, and the other four by the end of 1973.

The company is therefore faced with a decision as to where its new capacity should be located. Unfortunately, in relation to Welland there are certain drawbacks, partly the cost of electricity, partly the cost of transportation. The real question is not whether the capacity is to be created at Welland but whether this capacity is to be retained in Canada at all. Because of the low cost of extracting and processing the ore in South Africa there is a real danger that this operation might not continue in Canada for long.

The fact of the matter is that were it not for the assistance offered by the Department of Regional Economic Expansion and the favourable hydro rates available in Quebec, these new installations would not be built in Canada at all. So the question is not the transfer of employment from Welland to Beauharnois; the real question is whether employment is to be created inside this country or outside it. The department is interested in maintaining this level of employment inside Canada rather than see it go elsewhere.

Motion agreed to and the House adjourned at 10.29 p.m.

HOUSE OF COMMONS

Wednesday, December 1, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

STATUS OF WOMEN

TRANSFER OF RESPONSIBILITY FOR CO-ORDINATION OF GOVERNMENT ACTION FROM MINISTER OF STATE FOR URBAN AFFAIRS TO MINISTER OF LABOUR

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I should like to announce the transfer of ministerial responsibility for the co-ordination of government action on the status of women from the Minister of State for Urban Affairs to the Minister of Labour.

Some hon. Members: Hear, hear!

Mr. Trudeau: I am happy to report that the interdepartmental committee which was set up last spring has now completed its examination of the commission's report and is drafting its recommendations for cabinet consideration.

[*Translation*]

The study of the interdepartmental committee indicates that the jurisdiction of the Department of Labour covers a good part of the legislative action to undertake. For this reason, I asked the Minister of Labour to assume this additional responsibility.

* * *

[*English*]

EXTERNAL AFFAIRS

STATEMENT ON BRITISH PROPOSALS FOR SETTLEMENT OF CONSTITUTIONAL POSITION OF RHODESIA

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, on November 24 the British government announced proposals for settlement of the constitutional position of Rhodesia. By now, hon. members will be familiar with the main features of these proposals which include provisions concerning the franchise and the composition of the legislature designed to give an increasing political voice to Africans, provisions intended to reduce racial discrimination, including a justifiable Declaration of Rights, a large development program, and a test of acceptability to be conducted by a commission appointed by the British government.

For the convenience of members I am prepared to table the British white paper containing these proposals which are complex and cover a number of interrelated procedures that must be completed before a settlement can be said to be secured.

The reason I say I am prepared to table this document is that I am not sure whether it is proper to table in the Canadian House of Commons a white paper put out in Britain. If there is any question about it, I have copies which hon. members can obtain.

Mr. Speaker: Is there agreement that the Secretary of State for External Affairs may table the white paper to which he has referred?

Some hon. Members: Agreed.

Mr. Sharp: From the beginning, Canada has held that the solution in Rhodesia should be a constitution providing for the rapid election of a government broadly representative of the Rhodesian people, of whom the overwhelming majority are black. The constitutional arrangements which have been announced fall short of this objective. The period for the transition to majority rule is not specified and the means for achieving it are highly complicated. Given the past experience with complicated constitutional provisions in Rhodesia and in various other parts of the world, there is inevitably concern as to how these arrangements will be implemented. Much will depend on the good will and co-operation of all concerned—qualities not always evident in recent years in the conduct of the Rhodesian regime.

When I visited Africa last March I was struck by the fact that two great contemporary dramas were being played out on that continent. Southern Africa is the scene of one of the most crucial chapters in the world-wide search for racial equality and human dignity, and the scene of the final stages in the liquidation of the European colonial empires.

Both of these themes are found in Rhodesia. In seeking to provide equitable arrangements for Rhodesian independence, Britain has had to face the fact that the white minority is at the present time unwilling to yield power to the black majority and that British capacity to influence the situation is very limited. Even mandatory United Nations sanctions have not been sufficient to produce this transfer of power. The only alternative means of bringing about a radical change would have been the use of force, a course of action which has been judged unacceptable by successive British governments.

Mr. Godber, the British Minister of State for Foreign and Commonwealth Affairs, whom I saw on November 27, gave me to understand that in the stalemate which has resulted such factors as the political stagnation for the Rhodesian Africans, the drift toward apartheid, the isolation of all Rhodesians from the outside world, and the distortion of Rhodesia's economic and social development, had led the British authorities to believe there were serious disadvantages to the perpetuation of the status quo. These were among the considerations behind the decision of the British government to make these propos-

als which they hope may establish a new point of departure for Rhodesia's political development.

We expect there will be strong misgivings on the part of many Africans over the proposals. It is entirely understandable that they should wish all Africans in Rhodesia to have the advantages which they themselves have obtained through independence on the basis of majority rule. Canada is completely in accord with the desire of Africans to achieve the abolition of all forms of racial discrimination throughout Africa and the realization of full political rights for all African peoples, a desire we and they have repeatedly expressed in the United Nations and at Commonwealth meetings.

• (2:10 p.m.)

The Commonwealth has not been successful in its attempts to solve the Rhodesian problem. In my view this does not mean that the Commonwealth should be considered of lessening importance. In its brief existence as a multiracial association, it has contributed greatly to the adjustments required by the accession to independence of its members from Asia, Africa and the Caribbean. Canada is confident that the Commonwealth can continue to perform a vital role in the seventies.

The proposals envisage seeking the views of the people of Rhodesia. It is entirely right that this should be so. This is obviously a vital element in the achievement of any settlement. The provision for a commission appointed by Britain represents a serious attempt to test the opinion of Rhodesian Africans. Nevertheless, there are inherent complications. The vast majority of the people have been given little opportunity in the past to express their political will, certainly not on complicated constitutional questions. There are definite physical limitations on the ability of the commission to consult everyone. Another cause of concern is the state of emergency which apparently will prevail during the commission's deliberations. African nationalist parties such as have come to power elsewhere, notably ZAPU and ZANU, will, it appears, continue to be unable to operate, and their leaders will be prevented from influencing public opinion during the consultations.

I am sure that I speak for all members of this House when I say that we hope that notwithstanding these limitations the commission will be able to ascertain the views of the Rhodesian people and, in particular, the African population as to the acceptability to them of the proposed agreement. I feel confident that men of the integrity of those nominated to be chairman and vice-chairmen will report not only the views they hear but also on the adequacy of the procedures for ascertaining those views.

As Canadians we may view the proposals as falling short of what is desirable, but we cannot substitute our judgment for the judgment of the Rhodesian people themselves as to whether they prefer to go on as at present or to accept the settlement that has been proposed. Whatever happens, Canada will not cease to be concerned with the attainment of full democracy and social justice in Rhodesia.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, this is a statement to which it has been difficult to find a response that satisfies. In one sense I feel it is a bit premature for us to pass judgment upon what has been done or, indeed, to express an opinion. I am sure we would all welcome an announcement of the end of a certain type of government wherein such a minority rules over such a majority by such means. Therefore we do not regard this as an announcement of the best kind by any means. Indeed, the minister couched his statement in those terms.

These are the kind of questions about which there is no monopoly of concern in any group or in any country. I am sure that we cannot over such questions mount a successful exercise in excessive party or personal purity. We all wish that more could be accomplished toward the aims to which this country has paid its allegiance, and to which all of us still pay allegiance.

We know that in Britain there is great concern and anxiety about the longlasting Rhodesian problem. I have been watching with great interest the concern that a man like the Right Hon. Nigel Fisher, one of the great liberal Africanists of today, a man so well acquainted with African problems and so sympathetic to them, has displayed. He has come to the conclusion that the step that is being proposed is in fact a step in the right direction.

I also noted in the minister's statement a realistically painful recognition that many of the programs that were brought about in connection with the Rhodesian problem have not been very successful. I think we have all reached the stage where we must admit not only the lack of success but the great degree of hypocrisy connected with the sanctions program. Indeed, some nasty person said the other day that the sanctions were as leaky as certain governments. The other day we read with anxiety that the United States was to purchase chrome from Rhodesia. Of course there should be reason for that anxiety, but Rhodesia has been producing chrome for years and years and I have heard no one say that it has been stockpiled. It might be interesting to know where that chrome has gone in the last eight years.

An hon. Member: To Russia.

Mr. Macquarrie: I was impressed by the minister's statement about the importance of events in South Africa. I agree with what he said. I would point to that to renew my urging that the government, which the other day with flags fluttering and banners flying opened a legation in Algeria, should move to open a legation in Zambia which I understand has been seeking such an opening for a long time.

I know there is much that can be said on the other side about the satisfactory situation of some people in Rhodesia in that, although they do not wield power, the economic conditions under which they live are better than those in other countries of Africa. I am impressed by that but not convinced by it. I agree with John Stuart Mill who many years ago said that even good government is no substitute for self-government, and I do not call the government of Rhodesia a good one.

Some hon. Members: Hear, hear!

Mr. Macquarrie: I ought to note, because the people of Canada are interested in this question, as they should be, that certain misleading statements in the press have indicated that what is taking place in this area, or may

take place means the return of Rhodesia to the Commonwealth. This is not so. This is a matter which must be decided by the member states of the Commonwealth and not by the United Kingdom alone.

There is one aspect of this which interests me. Although the British, since this is their constitutional right and, indeed, their problem, and it has been a difficult one, have chosen to appoint a commission of British subjects or native nationals, I think it might have been more imaginative if they had broadened the scope of that commission and appointed a Commonwealth commission. I can think of some outstanding African statesmen who could have served on it with distinction. I can think of some Canadians who could have made some important contribution to that commission. The name of former Prime Minister Pearson was mentioned. I also say that another former prime minister, the right hon. member for Prince Albert (Mr. Diefenbaker), who did a great deal in bringing about a colour-blind Commonwealth, could have made a great contribution. I think that Howard Green, whose services have not been sufficiently used by the government of his own country, could have been very valuable on such a body. The Commonwealth could have been involved in this very important matter.

Canada made an important contribution 50 years ago in establishing the equality of states within the Commonwealth. A few years ago one of our prime ministers made a great contribution toward establishing the principle of equality of peoples within the Commonwealth. So there could be a Canadian role although, as I say and admit, the constitutional problem is one for Britain to deal with. We all realize that this situation, which we must study very carefully before we become too definite or final in our judgment, falls far short of the ideal. However, for the first time Mr. Smith has signed an important document which says:

> The Rhodesian government have intimated to the British government their firm intention, within the spirit of these proposals, to make progress toward ending racial discrimination.

That has been admitted, and while there may be some concern as to how long this will take, at least that intention is something. Of course, I agree with the minister that Canada cannot and must not desert its concern for the attainment of full democracy and justice in Rhodesia. That must be our goal. That must be our value judgment. However, I think that at this stage it might be prudent, it might be pragmatic and, in the long run, sensitive, to allow for development of the commission which, after all, has set out to elicit the views of the Rhodesian people. They must entertain the views of as many Rhodesians as possible, especially those who are politically activated and politically concerned.

• (2:20 p.m.)

The minister's statement—the best part of it in my opinion—was that no matter how concerned we are we cannot in the long run substitute our judgment for the judgment of the Rhodesian people. We hope and pray that every effort will be taken to ascertain fully and thoughtfully the judgment of these people.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, the Secretary of State for External Affairs (Mr. Sharp) was faced with a difficult task in commenting on the proposals for the settlement of the Rhodesian constitutional problem. The proposals are complicated and the dilemma is excruciating. I find it, therefore, rather difficult to blame the minister for the vagueness and ambiguity of his statement. None the less I wish the minister had felt himself able to take a more unequivocal stand in favour of self-rule for the black majority of Rhodesia—

Some hon. Members: Hear, hear!

Mr. Brewin: —and against the inadequacy of the present proposals we are discussing. The principle of what has become known as NIBMAR, no independence before majority rule, in our view is the only basis for a satisfactory settlement of the Rhodesian question. The Canadian government repeated this principle as recently as November 23 without prejudging the proposals of the British government.

Sir Alec Douglas-Home claims that the proposed settlement is fully within the five principles to which the British government has constantly adhered. We do not agree.

The fifth principle, and perhaps the key to the question now facing the world, is that any basis proposed for independence would be acceptable to the people of Rhodesia as a whole. If in fact the present proposals were acceptable to the people of Rhodesia this country and the world community might, whatever its misgivings, have to accept the proposals. But under the present proposals this test of acceptability is to be determined by a commission headed by a judge from Britain, Lord Pearce, supported by two other commissioners who will tour Rhodesia.

There are a number of reasons this test may well be unsatisfactory. There is no proposal for a referendum. The present state of emergency in Rhodesia is continued until after the lifting of sanctions. Normal conditions do not prevail in Rhodesia. Radio and television time to discuss the proposals is available only to political parties represented in the House of Assembly. This effectively excludes some of the most important national African leaders from the discussion of the proposals. At the time the test of opinion is under way only 54 of the 116 political detainees will have been released. In these circumstances the most careful scrutiny must be insisted on before the conclusions of the commission could be accepted by world opinion.

Principle one of the five principles is that the principle and intention of unimpeded progress to majority rule would have to be maintained and guaranteed. The proposals do include the removal of the provision in the 1969 Rhodesian constitution which precludes any possibility of progress beyond parity. But this provision is specious. It means that the 100 per cent impossibility of going beyond parity is changed to something like a 95 per cent impossibility. Progress to majority rule can be impeded by a handful of white Members of Parliament. It is by no means assured or guaranteed.

There are some 250,000 white people and some five million black people in the country. The parity proposed is parity between 250,000 whites and five million blacks. As the blacks increase their literacy and their role in the economy, their representation may slowly move upward.

However, a statistical analysis published in the *Sunday Times* last Sunday found that majority rule would be possible in about 65 years. According to the former Prime Minister of Great Britain, Harold Wilson, it would take Africans to achieve legislative parity—this is not majority rule—between 15 years and 600 years. Does the world expect the people of Rhodesia to wait so long for this incomplete and inadequate goal of simple parity?

Principle No. 3 was that there would have to be immediate improvement in the political status of the African population. The proposal we are discussing calls for immediate improvement in the political status of the African population by the addition of four extra African seats in the assembly. This is minimal. It constitutes in substance a very grave omission from the five principles.

Principle No. 4 is that there would have to be progress toward ending racial discrimination. The proposals we are discussing simply record the Smith regime's intention to reduce racial discrimination and set up a three-man commission to review the question without any powers.

The Land Tenure Act is the main bastion of apartheid. This act is only to be reviewed by the commission. There is no guarantee that there will be any action on it. The commission's recommendations will be "commended" by the Smith regime "except where there are considerations which any government would regard as overriding". This is a loophole a mile wide. All in all the proposals are quite inadequate.

The Canadian government should express grave reservations about the whole proposal. It should not rush headlong into endorsing what may turn out to be a snare and delusion for legitimate African aspirations, and should maintain its sanctions until the opinion of the black people of Africa has been secured and the United Nations has accepted their withdrawal.

Canada has a good reputation as a white western country that has shown sympathy and understanding of black African aspirations and an abhorrence of racial discrimination. In the interest of good relations between the races of the world and in the interest of future world peace and security this reputation must not be thrown away. Canada should consult with its Commonwealth partners and should withhold recognition of an independent Rhodesian government until genuine majority rule in Rhodesia is attained.

• (2:30 p.m.)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the Secretary of State for External Affairs (Mr. Sharp) has just tabled a statement by the British government concerning the agreement recently entered into between the British government, representing the Commonwealth, and the Rhodesian government.

Mr. Speaker, before I had the opportunity of visiting Rhodesia on August 16, I had been brainwashed as most other Canadians were. Indeed, the international news services had led me to believe that Rhodesia was a dictatorship, a fascist and totalitarian country. Now I had the opportunity with three other members—and I think it would be advisable to have them express an opinion—to travel in Rhodesia whence we returned with a similar conviction. During our trip, we were compelled to leave our prejudices aside, to squarely consider the facts and to investigate. We visited the whole of Rhodesia. We met all heads of government as well as the revolutionary chiefs who want the government to follow the example of other black African countries which, after gaining their independence, have become communist satellites of China or the U.S.S.R.

I am happy today to give a different version from that of the hon. members who spoke before me. We have found that order, discipline and prosperity prevail in Rhodesia. We were asked to send our surplus technicians to Rhodesia where, we were told, work would be found for them when there is little for them here in Canada. The unfortunate fact with regard to Rhodesia is that, in 1961, when England tried to interfere in the internal affairs of the country, the latter declared its independence unilaterally. That was its sin.

Today, after five years of unsuccessful economic and political sanctions from Canada, the United States and other countries, we must envy the prosperity and discipline of Rhodesia.

Canada even stopped selling wheat to Rhodesia. That country did not produce wheat, but following the economic sanctions imposed by several countries, it started its own production of which it even exports a part today.

General Motors, Ford and Chrysler closed their plants in Rhodesia. That did not affect the white minority, but the majority of black people who worked for them.

Mr. Speaker, those who have had the privilege of visiting Rhodesia can repudiate the misinterpretation of facts that is constantly appearing in newspapers. And instead of giving advice to the Rhodesians or to rebuke them the House should appoint a special committee responsible for carrying an investigation in that country, which has not been done since 1961. If such a committee were established it could ascertain whether the Rhodesians are such bad people as the international press portrays them.

No country is now exercising economic control over Rhodesia. It is strange that the United States and some other countries which have imposed sanctions are nevertheless exporting goods to that country. Why? Because Rhodesia has the necessary funds to purchase various things.

Mr. Speaker, I also would like to say a word about the famous sin of discrimination. The majority rule in Rhodesia does not exist. I am not going to read comments or articles from newspapers. I have in hand a copy of the Debates of the Senate of Rhodesia, dated September 1, 1971, where it says that the Senate has returned a bill through a black majority. The Rhodesian Africans represented in the Senate or in the government of Rhodesia have reversed a bill which was deemed to have been introduced by the Whites. Contrary to what some people would have the whole world believe, it is untrue that the Whites are governing Rhodesia and that the Blacks are under their authority because the Rhodesian African senators have returned a bill which was deemed to have been introduced by the government. This means that the black senators have, on any given day, the possibility of rejecting any bill which they are not satisfied with. This is

why it is so deceiving for other countries to denounce the scandal which allegedly exists in Rhodesia.

I recently read an article on the agreement between the British Commonwealth and the Rhodesian government. Having imposed ineffective sanctions against Rhodesia in 1961, England must change its decision.

Strangely enough, the leaders of the communist countries are in agreement with those of many other countries to denounce the alleged dictature which exists in Rhodesia.

Mr. Speaker, if the communist governments denounce Rhodesia, it is because they do not have the opportunity of creating discord and upsetting the government in view of the economic stability, the order and the discipline which are prevailing. Far from lecturing Rhodesia, we would have lessons to learn from that country provided we would go over there and find out what is going on. It cannot be that the government, with its white minority, will indefinitely control a black majority if it is as bad as it has been intimated, from the time Rhodesia has committed the sin of leaving the Commonwealth.

* * *

[*English*]

INDIAN AFFAIRS

STATUS OF WOMEN WHO MARRY NON-INDIANS—ANNOUNCEMENT OF REVIEW OF LAVELL CASE BY SUPREME COURT OF CANADA

Hon. John N. Turner (Minister of Justice): Mr. Speaker, several questions have been raised in the House about the disposition of the Lavell decision of the Federal Court of Appeal of Canada. On October 8 of this year the Federal Court of Appeal pronounced judgment in the case of Jeanette Vivian (Corbiere) Lavell against the Attorney General of Canada. The three-man court, speaking through Mr. Justice Thurlow, ruled unanimously in favour of Mrs. Lavell's contention that the Canadian Bill of Rights rendered inoperative those provisions of the Indian Act pursuant to which Mrs. Lavell's name had been struck from the register of the Wikwemikong Band upon her marriage to a non-Indian.

Under the Indian Act, where an Indian woman marries outside her band she is no longer entitled to be registered with that band, but if her husband is an Indian belonging to another band she may be entitled to be registered with that other band. However, if she marries a non-Indian she loses completely her status as an Indian and her name is automatically struck off the register. On the other hand, where an Indian male marries he continues to belong to his band and his wife, whether she is an Indian belonging to another band or a non-Indian, is entitled to be registered with his band.

The Federal Court of Appeal found these provisions discriminatory by reason of sex, and that they denied the right of an Indian woman as an individual to equality before the law because they did not accord Indian women the same rights and privileges on marriage as Indian men.

This is a most important case, Mr. Speaker. It is important with respect to women's rights and the status of women upon marriage; it is an important case with respect to Indians as a group and as a people; and it is an important case because it places a further interpretation on the application of the Canadian Bill of Rights with regard to the concept of "equality before the law." It is also the first case dealing with "discrimination ... by reason of sex."

Because of the importance of the Lavell case with respect to the very important issues I have mentioned, and because it will be necessary for the government, with the assistance of the Indian people, to devise policies and laws that will respect the legitimate claims of all concerned, I have concluded that it is my duty as Attorney General of Canada to ask the highest court in the land, the Supreme Court of Canada, to review the judgment of the Federal Court of Appeal. In this regard I think that the women of this country, the Indians and, indeed, all Canadians who may be affected at some time by the interpretation that has been placed on the Canadian Bill of Rights are entitled to have the judgment of the court of last resort on the important issues that are involved.

In the course of these remarks I should make it clear that it would be imprudent, indeed improper, for me as Attorney General to express any views about the merits of the judgment of the Federal Court of Appeal, particularly as the issues involved can still be regarded as sub judice. However, I do believe it to be important to have the court's judgment reviewed by the Supreme Court of Canada and affirmed, if it was correctly decided, or reversed or modified, if it is found to be in error. I have therefore instructed my counsel to make certain that all of the important issues and arguments in the case are fully canvassed before the Supreme Court of Canada.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to thank the minister for sending me a copy of his statement at about one o'clock today. I appreciate having had the opportunity to read it and to review the decision in the case.

At the outset I may say that the first question with respect to this matter was asked by the hon. member for Oxford (Mr. Nesbitt) on April 20, 1971. I am advised that the husband's father and mother live in his constituency.

Briefly may I say that the facts of the case are very simple. The appeal court of the new Federal Court created by the Minister of Justice (Mr. Turner) ruled unanimously, by a judgment of Mr. Justice Thurlow, in favour of Mrs. Lavell's contention that the Canadian Bill of Rights rendered inoperative those provisions of the Indian Act which, as interpreted by the Department of Indian Affairs, meant that when an Indian woman marries and at the time of her marriage is a member of an Indian band living on a reservation, then because she marries a white man she loses all her rights as an Indian and ceases to be a treaty Indian. However, if the facts are reversed and an Indian man romances a white girl then that man does not lose his rights. The situation seems very strange in view of the fact that when we have pressed the Minister of Justice from time to time to institute an appeal in reference to the constitutionality of Bill C-176 he has refused.

• (2:40 p.m.)

I just want to take a moment to put in its proper perspective what the position is in regard to the Bill of Rights. Section 1 of the bill says:

It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex—

The Bill of Rights confirms that all individuals, whatever their sex may be, are equal. If the Lavell decision makes any sense surely it is because it decides for the first time in Canada that all men and women are equal and that men of all colours are equal in Canada. This, of course, is the first premise of the Bill of Rights.

Some hon. Members: Hear, hear!

Mr. Woolliams: Section 1 of the Bill of Rights must be read in conjunction with section 2 which reads as follows:

Every law of Canada shall, unless it is expressly declared by an act of the Parliament of Canada that it shall operate notwithstanding the Canadian Bill of Rights, be so construed and applied as not to abrogate, abridge or infringe or to authorize the abrogation, abridgement or infringement of any of the rights or freedoms herein recognized and declared—

I have already set out what the freedoms are as far as this matter is concerned. It seems very strange to me that this government and this minister would want to use the taxpayers' money to enter an appeal on a question of social justice, real justice, when we have for the first time a ruling establishing equality between the sexes and equality as far as race and colour are concerned.

In brief, the Federal Court ruled that an Indian woman cannot be deprived of her rights because as an Indian she married and romanced a non-Indian. Apart from the Drybones case this is the first time a Canadian court has applied the 11 year old Bill of Rights to the issue of sexual equality or sex equality. The trial judge was reversed by the appeal court which has delivered a judgment tempered with justice, natural justice and social justice, ending once and for all the discrimination between sexes and above all between all colours, races and religions. It is therefore most surprising that the government has taken this attitude.

When the appeal goes before the Supreme Court of Canada I hope the Minister of Justice will see to it that the respondents receive money from the treasury of Canada so they can afford the best counsel, the best kind of evidence and put forth the best kind of argument for social justice, equality of the sexes and equality for people in Canada irrespective of race or colour.

Mr. John Gilbert (Broadview): Mr. Speaker, in 1961 when we passed the Canadian Bill of Rights the philosophy behind it was equality of all persons regardless of race, religion or sex. After waiting for ten years I am sure that Indian women must have considered that this law of equality did not apply to them.

Taking into account that many of the provinces have passed legislation with regard to discrimination in employment and housing and other matters it rather surprises us in the New Democratic Party that the Minister of Justice did not act earlier with regard to this serious problem. Surely it could have been solved many years ago by making a simple amendment to the Indian Act. This would have avoided not only the appeal to the Federal Court of Canada but also the appeal to the Supreme Court of Canada. The Minister of Justice still has time to bring forth legislation to amend the Indian Act and to give Indian women an opportunity to appear before the Standing Committee on Justice and Legal Affairs to state their views with regard to the provisions of that act.

Regardless of the decision of the Supreme Court of Canada, I hope the Minister of Justice will take the initiative and amend the Indian Act. Not only should he do that but he should follow the recommendations set forth in the report of the Royal Commission on the Status of Women and bring forward other legislation concerning discrimination in other fields that is affecting women across Canada. This approach would be much better than to undergo the delay that will be caused by the appeal to the Supreme Court of Canada.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, like the hon. members who spoke before me, I too have doubts that it should be necessary to go through the Supreme Court to apply a basic principle of human rights.

I should merely like to point out that this is an example of the difference that often exists between theory and practice. In the Bill of Rights, the rights are expressed in theory, but the vast majority of the Canadian people doubtless are not aware of the discrimination that exists, even though human rights should normally be recognized. Consequently, the laws applied in our land should take this fact into account.

But I still want to make a minor reservation in view of the privileges acquired by the section of the population of Canada comprising Indians and Eskimos. Of course we should not go against the interests of those directly involved, the Indians. I wonder whether that is not the major reason behind the minister's decision to go through the Supreme Court.

Anyway, I am still wondering whether this was necessary. I think the minister could have given us more information and enlightened us more on the present dilemma, which is, whether the Indians themselves would prefer things to be left as they are at present, as was ruled by the Federal Court of Appeal.

Let us hope that all this will promote real freedom in our country ,and that we will always—in any legislation—respect the rights of the individual and the community.

* * *

[*English*]

BUSINESS OF THE HOUSE

NOTICE OF TIME ALLOCATION MOTION FOR COMMITTEE OF THE WHOLE STAGE ON INCOME TAX BILL

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wish to advise the House that, even though talks have taken place, agreement could not be reached on the provisions of Standing Order 75A or Standing Order 75B with respect to the proposed allocation of sitting days for the consideration of the committee of the whole stage of Bill C-259.

Accordingly, I am now giving notice that at the next sitting of the House I shall move, pursuant to Standing Order 75C, that four additional days be allotted to the committee on the whole stage of this bill.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Woolliams: What generosity!

Mr. G. W. Baldwin (Peace River): On a point of order, Mr. Speaker, if I can be heard through the unseemly merriment on the other side which hardly seems justified I want to take what I consider to be some well-founded and reasonable technical objections to the procedure as it has been launched. Other hon. members will have opportunities to speculate on the wisdom of this course after the very sensible proposal made by my leader which was stupidly rejected. Because of that but also because of the fact this is the first time the government has attempted to pursue its very vague way throughout the dangers, shoals and reefs of Standing Order 75, and because we are treading new roads and establishing precedents for the future, I think it is essential that I take exception. After listening to the President of the Privy Council I think I can do so in two respects.

• (2:50 p.m.)

I know that Your Honour is well aware of the provisions of Standing Order 75, but I must go through all the provisions in order to lay the foundation for the argument I propose to make. Standing Order 75A provides:

When a Minister of the Crown, from his place in this House, states that there is agreement among the representatives of all parties to allot a specified number of days or hours to the proceedings at one or more stages of any public bill, he may propose a motion—

I emphasize the words "one or more stages". Standing Order 75B is just a little different but the difference is significant. It reads:

When a Minister of the Crown, from his place in the House, states that a majority of the representatives of the several parties have come to an agreement in respect of a proposed allotment of days or hours for the proceedings at any stage of the passing of a public bill, he may propose a motion—

Standing Order 75C reads:

A Minister of the Crown who from his place in the House at a previous sitting has stated that an agreement could not be reached under the provisions of Standing Order 75A or 75B in respect of proceedings at the stage at which a public bill was then under consideration—

I admit at once that, when we were holding the discussions which constitute the conditions precedent before the minister would even have the legal status to launch this application, we considered the number of days which would be required with respect to the committee stage and third reading. I think my friends will agree that in doing so so many days were suggested in respect of the committee stage and so many days were suggested in respect of the third reading stage. However, Mr. Speaker, we were dealing with a package proposition. We are not met here, as we should, must and have to be met, with a situation where a minister of the Crown, within the terms of the Standing Order, states that there was a specific request to limit the numbers of days for the committee of the whole stage alone.

I suggest this is like a tax bill. Under the interpretation of statutes it must be construed strictly against the government. Unless the minister is able to say to the House that he had a discussion with regard to the committee stage alone, the stage in respect of which he proposes to move at a later date—I will have something to say about that later—he is out of court. I will be quite candid and say that in respect of the agreement which we had been discussing I told the minister yesterday that it was impossible for us to meet the terms of Standing Order 75A or 75B.

With the greatest of respect, I suggest that in coming here today the minister must be prepared to state categorically that he offered to the representatives of the other parties, within the meaning of Standing Order 75, a suggestion that there should be a limited time with respect to the debate on the committee stage alone. That was not done. We discussed a package deal. In the package deal there was a division. It was compartmentalized. We considered the total number of days divided between the committee stage and the third reading stage.

This is not simply a technicality. We are dealing with a very serious matter, an attempt to impose fiscal measures upon this country through the use of closure. I ask for Your Honour's serious consideration of that argument.

As I understood the words of the minister, he said "I will be moving on the following day". I assume that to be tomorrow. He used the words "the following day".

I may be premature but I also wish to point out the following under the provisions of Standing Order 75C:

—and has given notice of his intention so to do may propose a motion for the purpose of allotting a specified number of days—

I suggest that any motion proposed must be considered in relation to the terms of Standing Order 42(1) which reads:

Forty-eight hours' notice shall be given of a motion for leave to present a bill, resolution or address, for the appointment of any committee—

Throughout the years I have been in this House it has been standard practice as far as a substantive motion is concerned that, unless there is wording in the particular Standing Order to the contrary upon which the government or the mover of the motion may rely, 48 hours' notice is essential and is a condition precedent before the motion can be put.

Some hon. Members: Hear, hear!

Mr. Horner: The Liberals use closure.

Mr. Baldwin: Your Honour may not be called upon to make a clear decision on this point today. If the minister, pursuant to what I understand is his announced intention, rises in the House tomorrow to move, as he indicated he will, the allocation of time, the guillotine, I will expand on this argument tomorrow. I make my argument now to Your Honour for the two reasons I have indicated. The notice which the minister sought to give today is not one of which he can avail himself in order to make tomorrow this particular motion with which he has threatened us today.

Some hon. Members: Hear, hear!

Some hon. Members: Closure!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to comment briefly on the two points of order raised by the hon. member for Peace River and I then wish to raise one of my own.

May I point out, Mr. Speaker, that any debate on the substance of the motion must, of course, take place when the motion has been presented to the House, presumably tomorrow, so at this point we are dealing only with procedural points that should be dealt with before we move to the stage of actual debate.

Despite the many times I find myself in very close agreement with my friend from Peace River, I am afraid I do not see eye to eye with him on the points he has raised this afternoon. It is true that in the secret meetings of House leaders we discussed the whole package.

An hon. Member: A lot of leaks there.

Mr. Knowles (Winnipeg North Centre): Well, leaks are the order of the day. In this case the government has to operate under Standing Order 75C as it reads. Standing Order 75C permits a motion dealing with only one stage of debate. There is a reservation, namely, that if there were a report stage and third reading coming up, those two could be dealt with in one motion, but as far as a debate in the committee of the whole stage is concerned a motion under Standing Order 75C can deal with that and that alone. I do not see that the minister is out of court on that count.

The second point that the hon. member for Peace River raised had to do with his contention that 48 hours' notice is required, that the motion has to be put on the order paper and so on. Again, however, I have to disagree with my good friend because it seems to me the wording of 75C is quite clear. It says that a minister of the Crown who from his place at a previous sitting has done two things, has stated that agreement cannot be reached under 75A or 75C, and who has given notice of his intention to do so, may move that motion at the next sitting. The hon. member relies on Standing Order 42. I suggest that 75C is more analogous to Standing Order 33 in this respect. Standing Order 33, an infamous one, provides for the full-dress kind of closure and in that Standing Order there is the same kind of reference, namely, to the minister giving notice the previous day from his place in the House. No 48 hours notice is required in that case; no notice is put on the order paper. So I would say that the minister has the right to give notice, as he has done today, and to make his motion tomorrow.

• (3:00 p.m.)

However, despite my disagreement on those two points there is a point which I feel should be raised even though Your Honour might feel you should treat it simply as a caveat. As the hon. member for Peace River has said, this is the first time, out in the open at least, when an attempt has been made to use Standing Order 75C. So whatever happens now becomes a precedent and we may find ourselves guided in the future by the precedent created on this occasion. The point which it seems to me ought to be made is that Standing Order 75C can be used by a minister of the Crown only when he can assert that there has been no agreement under either 75A or 75B. If, at this time, the three of us on the opposition side of the house were in agreement as to what we should do about the remainder of the debate, and could cite that agreement, the minister would not, I submit, be able to proceed under 75C. This is obvious, but it seems to me that if this point is not made when the rule is being used on this occasion the minister might on some other occasion get up and try to do it again in circumstances which were somewhat different.

The fact of the matter is that on this side of the House, although all three parties are opposed to Bill C-259, we differ as to how we should spend the remaining time, what subjects we should spend it on, and so on. We have not been able, therefore, to reach a three-party agreement as to what should be done with the remainder of the time. It is only because of this situation that the minister is in a position to use Standing Order 75C. My indication at this time that we do not take procedural objection to the use of this rule by the minister is made for the purpose of the record and it is put there for future reference.

When we come to discuss the motion itself, presumably tomorrow, we shall indicate our opposition to this rule being used. We believe that just as we have conducted this debate so far—granted, for many days—on the basis of unanimous agreement among the House leaders, a further attempt should have been made to reach a conclusion to this debate by agreement rather than by the method of confrontation.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I support the comments which the hon. member for Winnipeg North Centre (Mr. Knowles) has just made. Bill C-259 is in my opinion a kind of bill omnibus and I wish that it could have been split up. It could have been passed more quickly.

It is now useless to hope that it can be split up. We should bow to facts and take matters as they come and I think that we, of the Social Credit party, have expressed our willingness to co-operate with the government so that parliamentary procedure would be complied with, that we could have reasonable discussions and that the government could pass the bills it has introduced.

I think that if we read the same things in French we can come to an agreement.

I think that Standing Order 75C which is being used for the first time will pose certain difficulties. You will remember that Standing Orders 75A, 75B and 75C were debated in this House. Of course, the majority came up on top but it was understood that it was simply a measure of protection and that Standing Order 75C would never be applied.

In any case if it became necessary to do so its application would be dictated by certain rules that are well established. I think the minister assuming the responsibility of introducing such a motion should give notice as he did today and the motion could be passed tomorrow. This is my way of seeing things. I think that if the government intends to resort to Standing Order 75C, it should give hon. members enough time to assume their responsibilities as representatives of the people and study as many

sections as possible. There are 330 in all, and there are still roughly 220 to be passed. So, it is not easy.

[*English*]

Mr. Speaker: Order. When the hon. member had the floor a few days ago he pointed out that it was perhaps unfair to him—order, please. I am just drawing attention to the fact that the hon. member for Bellechasse took exception some time ago to the fact that when he or another member of his party took the opportunity to raise points of order or make statements on motions they did not receive the same attention as did other members. The reason suggested was that they were expressing themselves in French. I could not agree with that, but this is another occasion upon which it is extremely difficult to hear what the hon. member is saying.

[*Translation*]

I believe the hon. member should enjoy the same privilege as his other colleagues, that of being heard in the House.

Mr. Lambert (Bellechasse): Mr. Speaker, I thank you for your generosity and sense of justice for all members, even those who express themselves in French. I am sure all hon. members will wish to co-operate. I once brought up that point and realized that the majority of members agreed. I would not like to get back to the matter every day. I thank you for your intervention and for setting the record straight.

In concluding, if the procedure proposed today is approved, I believe a precedent will be created. If, some day, Canada should live under a government with more pronounced dictatorial ideas, then, our parliamentary system might be ruined and we would turn towards the establishment of a parliament which would not discharge its duties as efficiently and as democratically as today.

In my opinion, the motion which has just been introduced should be studied carefully. The House leaders of the different parties should study it in order to reach an understanding, in order that the whole country—and even the Commonwealth nations—should not be left with the impression that the Canadian Parliament is becoming more and more difficult, but rather that it is a Parliament where the members are really responsible, where even those in the opposition are ready to co-operate. To co-operate does not mean that all the bills introduced by the government should be rushed through. To co-operate means to study them wisely and intelligently, to make suggestions, to propose amendments such as the rules permit.

I do not think that there was obstruction, and I would not like to see Standing Order 75C applied at the present time.

• (3:10 p.m.)

[*English*]

Mr. Speaker: Is the hon. member for Peace River rising to speak to the same point of order? The hon. member will appreciate that he has already spoken but it may be he would like to address himself to the additional point of order raised by the hon. member for Winnipeg North Centre. I see at the same time that the hon. member for York East wishes to participate in the procedural debate and perhaps he should be recognized first.

Mr. Steven Otto (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I rise only to deal with the argument of the hon. member for Winnipeg North Centre. I ask your instruction since he indicated that he wanted you to rule on the interpretation of the word "or" in Standing Order 75C. He wanted to enter a caveat depending on how Your Honour interpreted the meaning of that Standing Order. He interpreted it to mean where an agreement could not be reached under the provisions of Standing Order 75A "and" 75B. If Your Honour is going to make a ruling on that point, then I think we should have an opportunity to argue it. I suggest with all respect that the only issue at stake now is Standing Order 75A. There has been no unanimous agreement. I submit that is the only point you should cover in your ruling.

Mr. Speaker: Order, please. I might lay to rest or ease the hon. member's difficulty if I tell him that my understanding of the point raised by the hon. member for Winnipeg North Centre was that it was more theoretical. He indicated he was only entering a caveat. I think any hon. member who has looked at this rule over a period of months would appreciate that there is a difficulty here. Fortunately for the Chair that decision does not have to be made at this time. That is my understanding of the point raised by the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 37 I wonder whether I might confirm what Your Honour has just said. I was not asking what the hon. member for York East said I was asking in any case. But neither was I asking for a ruling from Your Honour on the crucial point in this rule at this time; I was simply entering a caveat so that on another occasion what has happened today will not be a precedent that could be used against us.

Mr. Baldwin: Mr. Chairman, on the same basis may I say I am not going to deal with the matter raised by the hon. member for Winnipeg North Centre save as it is related to what I said on my first point. What I was saying, if I may put in one sentence—and I think it is substantiated indirectly by the hon. member for Winnipeg North Centre—was that the minister cannot stand today and say that an agreement was not reached under 75A or 75B in respect of the stage which we are now at, the committee stage, because never were we asked with respect to the committee stage alone to agree to this number of days. We dealt with the matter as a package—five days and three days.

Mr. Speaker: I do not want to interrupt this interesting debate and if hon. members want to make further contributions I will listen to them. It might be easier for the Chair to listen to argument on this point than to go to the question period. If there are no other contributions I am prepared to make a ruling.

Mr. MacEachen: Mr. Speaker, may I begin by agreeing with the hon. member for Winnipeg North Centre that the point of order presently before the House does not raise the point against which he has now issued his caveat. I

quite agree that what is occurring now would not constitute a precedent for a future event. I also want to enter a caveat and to reserve our position to argue that point when it does arise on an entirely different basis.

I have two comments to make and one has to do with notice. I have read the words of the Standing Order which on that point seems to be clear. I am reinforced in my position by the wording that appears, as the hon. member for Winnipeg North Centre mentioned, in Standing Order 33, which seemed to me to be absolutely four square. As we know, in the past Standing Order 33 has been interpreted as permitting me to give notice today and to move the motion tomorrow. So on that point I do take that position.

With respect to the first point made by the hon. member for Peace River, it seems to me that my obligation, or at least the obligation of a minister of the Crown, is to state that there has not been an agreement. That obligation is imposed upon a minister by the Standing Order.

It is clear from the discussion that there has not been an agreement. There has not been a majority agreement along the lines that would frustrate the operation of Standing Order 75C. As the hon. member for Winnipeg North Centre has stated, if a conclusion had been possible under 75B, if all the opposition parties had agreed to a particular position, then he would at least be able to argue the point of order that he will argue at some time in the future. But at the moment it is clear from what has been said that I am perfectly correct in telling the House that an agreement could not be reached under the provisions of Standing Order 75A or 75B. That is clear and it has been supported by the evidence of all opposition House leaders. Therefore I feel that the conditions of Standing Order 75C have been met.

Standing Order 75C does not prescribe any by-laws or guidelines on the way that the informal meetings of House leaders should be conducted. In the absence of that we must take the wording of the Standing Order as it is. All I can say is that the point raised by the hon. member for Peace River was fully covered in our discussions. He knew, as all other hon. members who took part in the discussions knew, the proposal that I had made relating to the committee stage of the bill. That is the fact and it has been supported by another spokesman.

Therefore I simply argue that I have satisfied the obligation of a minister of the Crown to state that an agreement could not be reached under the provisions of Standing Order 75A or 75B. It seems to me it is not for anyone to inquire at this stage how that factual conclusion was reached, but that is the factual conclusion.

• (3:20 p.m.)

Mr. Speaker: If there are no other contributions to the interesting debate on the procedural point raised by the hon. member for Peace River I might be prepared to give my opinion at this stage.

Dealing first with the last point, that raised by the hon. member for Winnipeg North Centre, I should like to reiterate that what he is doing now is entering a caveat which refers to the possible application and reference of Standing Orders 75A and 75B and to the question of whether, in certain circumstances, it would be open to a minister on behalf of the Crown to invoke the provisions of Standing Order 75C in cases where there had been agreement between the three opposition parties, or more if there were more in the House. Of course, as had been pointed out by hon. members, this is a theoretical point at this time on which the Chair should not be called upon to rule. I should therefor like to go to the other two points which were made by the hon. member for Peace River.

The hon. member for Peace River suggests that the motion should propose a time allocation to cover all the remaining stages. He suggests, if I understand him well, that it is irregular to have a motion which would refer to only one stage. This, essentially, is the point that he has made. If I am wrong, and the hon. member seems to indicate that I am, I will ask him to correct me in my interpretation of what he said.

Mr. Baldwin: Mr. Speaker, I hesitate ever to correct you. The point I was trying to make was that our discussions took place with relation to both remaining parts of the bill, the completion of the committee stage and third reading, and that our discussions with regard to that were bounded by that particular consideration. It is true that a number of days was considered with respect to both parts, but it was a package. I suggest that the minister must now establish prima facie that we rejected an agreement with respect to the committee stage alone.

Mr. Speaker: I appreciate the point which the hon. member is making. Effectively, what he wants the Chair to do is to go beyond the terms of the Standing Order as it now is. That is exactly the point which was made by the hon. member for Winnipeg North Centre. He suggested that the Chair has to rule on the Standing Order as written and as it is before me for interpretation. Standing Order 75C says that if a minister has given notice of his intention so to do he may "propose a motion for the purpose of allotting a specified number of days or hours for the consideration and disposal of proceedings at that stage." This, I suggest, is what the minister has done at this particular stage. I do not see how it is open to the Chair to go beyond this. Perhaps the Standing Order should be rephrased and presented in another way, but my understanding of it is clear. I have to take the statement made by the minister as expressing the situation which is covered by those words of the Standing Order.

The second point is perhaps a little more knotty, a little more difficult to deal with. It has to do with notice. Obviously, in a general way all motions proposed to the House require 48 hours written notice. I think it is important to note that in this particular case it is not notice of the motion which the minister is required to bring forward at this time, which might put him under the disposition of Standing Order 42(1) dealing with 48 hours of notice of motions. Standing Order 75C requires the minister to give notice of intention to move a motion. I suggest that there is a substantial difference between the two. Standing Order 42(1) specifies the circumstances in which any member of the government or any member of the House proposing a motion must give 48 hours written notice. The type of notice specified in Standing Order 75 is not, I suggest, covered by the terms of Standing Order 42(1). It seems to me that this type of notice is more analogous to the type of notice required under Standing Order 43,

under Standing Order 6(5)(a) or even under Standing Order 26, where a specific and perhaps exceptional procedure is proposed by the Standing Order.

I think it should be mentioned, to be fair to hon. members, that we are not dealing with something which, in practice, is all that serious. If the Chair were to rule that 48 hours notice is required, it would mean that the notice would be filed this afternoon before six o'clock and, instead of the motion being moved tomorrow, it would be moved on Friday. I appreciate that 24 hours difference and an additional day's debate in the House is a matter of importance. I am not trying to minimize that at all. However, we are not dealing with anything which is basic or substantial. I would think that the Chair would find it very difficult to convince himself that the provisions of Standing Order 42(1) apply to this case and that 48 hours written notice is required. I have to take the Standing Order as it is presented to me. That is what the hon. member for Winnipeg North Centre suggested. He stated a moment ago that he does not often disagree with the hon. member for Peace River. I would say that although I sometimes disagree with the hon. member for Winnipeg North Centre, in this case I think his interpretation of the Standing Order is closer to mine than that proposed by the hon. member for Peace River. I would think I would have to rule that the notice of intention proposed by the President of the Privy Council would meet the requirements of the Standing Order as it appears in the Standing Orders of the House at the present time.

Mr. Woolliams: Mr. Speaker, I rise on a point of order which does not arise from the notice or from your ruling. Some days ago I asked the government House leader whether the standing committees of the House would sit while the tax bill was being debated before the committee of the whole House. Since the guillotine is going to fall, I would think that the government and the government House leader ought to act in the best interests of Parliament. These committees have been sitting. I had to attend a committee session yesterday, because I was obliged to, and I therefore missed a part of the debate on the tax bill. If the guillotine is to be lowered, let the government introduce some procedure under which Members of Parliament can express their views on a bill as important as the tax bill.

Some hon. Members: Hear, hear!

Mr. Woolliams: Although I have not looked this up, I recall that when I raised this matter with the government House leader he suggested and gave me to understand without any qualification that there would not be any standing committees sitting. We find ourselves involved in this sort of procedure because the government will not even accede to our suggestion and split the bill.

An hon. Member: Guillotine MacEachen.

Mr. MacEachen: Mr. Speaker, more than once I gave assurances to the House that I would attempt to reduce the sittings of committees at times when we were sitting in committee of the whole on the tax bill. If you look at the record you will see that while this bill has been in committee of the whole very few committees have been sitting.

Some hon. Members: Hear, hear!

Mr. MacEachen: It has not always been possible to prevent sittings of committees, because chairmen of committees and other hon. members of the House who have rights, as has my hon. friend who has raised the objection, have come to me and said that for one reason or another a committee must sit. This applies to the Standing Committee on Miscellaneous Estimates because it is operating under a dead-line of its own. Today, for reasons which the chairman can explain, a particular committee will sit. I do not think it is a great obligation on members of the House, even though I am striving to cut down the number of sittings of standing committees, to expect them to attend one or two committee meetings while the House is sitting in Committee of the Whole. If I may say so, Mr. Speaker, from my own observation of the Committee of the Whole members are not impeded in attending the committee because of other committee sittings. I think it is because they have other responsibilities not in the standing committees which have prevented them being in the chamber in the last few weeks.

• (3:30 p.m.)

Mr. Woolliams: Mr. Speaker, I rise on a point of privilege. I have not read it, but if my memory serves me right—I have not checked it today because this matter arose after the notice and ruling were given—the government House leader said there would not be sittings. He did not say that some would not sit and others would. I would like to hear him say that he gave his word to the House that the committees would not sit.

Mr. Horner: On this point of order, Mr. Speaker, I am not going to say what was said by the government House leader or by the House leader of the Conservative party. I wonder if we could have an indication from the House leader of the government concerning what will happen now that closure has been invoked by the government. Will the committees continue to sit during the four-day debate on the tax legislation? Could we have some statement from the House leader in that regard? Surely, owing to the country's concern over this tax bill, no committees should sit except the Committee of the Whole of the House of Commons.

Mr. MacEachen: Mr. Speaker, first of all I should like to advise my hon. friend that closure has not been invoked and it is not the intention of the government to invoke closure on this particular bill. This is an entirely separate procedure. I will tell my hon. friend what I told the hon. member for Calgary North earlier, that I will do my very best to reduce the number of committees or eliminate them entirely. I do not remember exactly what I said at the time and neither does my hon. friend, but I did say I would cut them down as much as possible and I will do that during the next few days.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Questions

MOTOR VEHICLE SAFETY—DEFECT INVESTIGATION

Question No. 1,795—**Mr. Mather:**

Is a motor vehicle safety investigation being made into alleged (Nader) defects of (*a*) Chevrolet—engine mounts in 1966-69 models (1969 models currently under NHTSA investigation) (*b*) Chevrolet Corvair—clutch cable in 1965-66 models (*c*) Pontiac, Chevrolet, Buick and Oldsmobile—Rochester quadrajet carburetors in 1966 models (*d*) Chevrolet Vega—dash panel flammability in 1971 model (*e*) GM full size model cars—power braking systems in 1967-70 models (*f*) Mercury Capri—engine fires in 1970 model (*g*) full size Ford—hood latch in 1970 model (*h*) Plymouth, Dodge and Chrysler—Brake Drum in 1967-71 models (*i*) Fireball Industries, "Castaway 18.5 Motorhome"—spare wheels size does not correspond with size of "running" wheels?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Department officials are investigating the alleged defects in 1966-69 model Chevrolet engine mounts. The size of the affected vehicle population in this country has been defined and officials are now examining service records in cooperation with General Motors of Canada as well as evaluating the performance of specific Canadian vehicles of this design.

With respect to the other alleged defects announced in the United States by Mr. Nader, the Department is attempting to obtain all available information form the United States Department of Transportation and Mr. Nader so that investigations of similar Canadian vehicles may be initiated.

PREPARATION AND PUBLISHING OF GOVERNMENT REGULATIONS

Question No. 1,816—**Mr. Fortin:**

1. Did the government publish the texts of all regulations promulgated since January 1970 and, if not, which texts were not published and for what reasons?

2. Were such texts drafted in French and in Egnlish and, if so, when did the government adopt this policy?

3. What are the names of the legal officers in charge of drafting the regulations promulgated by the government?

4. Are the legal officers bilingual and did they receive Common or Civil Law training?

Mr. J. A. Jerome (Parliamentary Secretary to President of Privy Council): The Prime Minister's and Privy Council Offices and the Department of Justice advise as follows: 1. Yes, with the exception of those regulations exempt from publication, pursuant to section 9 of the Regulations Act, by Order in Council P.C. 1954-1787 of 18th November, 1954, which was published in Statutory Orders and Regulations Consolidation, 1955, Vol. 3 page 2676.

2. The texts of regulations as defined in the Regulations Act are required to be drafted in the French and English language. This policy was first established by Order in Council P.C. 5355 of 30th December, 1946, which was published in Statutory Orders and Regulations of January 8, 1947, page 2.

3. and 4. There are no legal officers particularly charged with the drafting of regulations promulgated by the Government. The drafting of regulations is part of the duties of every legal officer advising a department, board, commission or corporation that makes or recommends the making of regulations.

[Mr. MacEachen.]

CORPORAL PUNISHMENT

Question No. 1,870—**Mr. Orlikow:**

1. Has corporal punishment been used in federal institutions in 1970 and, if so, how many times?

2. How many prisoners have received corporal punishment more than once?

Hon. Jean-Pierre Goyer (Solicitor General): 1. No.

2. Not applicable.

STATISTICS ON CANADIAN AND INDIAN POPULATION

Question No. 1,879—**Mr. Orlikow:**

1. For the last year for which figures were available, what was the total *per capita* investment in housing?

2. In the same year, what was the total *per capita* investment for Indian housing from (a) the Department of Indian Affairs and Northern Development appropriations (b) band revenues (c) individual contributions?

3. What were the average salaries and wages (excluding military pay) for 1970 earned by Canada's labour force?

4. What was the average income of Canadian Indian families excluding general assistance and family allowances?

5. What was the average age of death for all Canadians, male and female, for the last year for which figures are available?

6. What was the average age of death for Canadian Indians, male and female, for the same year?

7. Of the total Canadian population, how many families live in houses of three rooms or less?

8. Of the total Indian population, how many families live in houses of three rooms or less?

9. Of the total Canadian population, how many live in homes which are provided with electricity, sewer services or septic tanks, running water and indoor baths?

10. Of the total Indian population, how many live in homes which are provided with electricity, sewer services or septic tanks, running water and indoor baths?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada and the Department of Indian Affairs and Northern Development as follows: 1. The total "per capita" new investment in housing for the Canadian population was estimated at $102 during the calendar year 1970.

2. (a) $105.52; (b) 13.15; (c) 5.87.

3. Not available as asked. The total salaries and wages paid during 1970 divided by the average number of paid workers was $6,522.15.

4. Accurate information relating to average income by families is not available. Data are being compiled and based on information obtained in a National Survey in 1969. Approximately 14,395 individuals were earning up to $1,000; 9,133 individuals were earning up to 3,000; 3,159 individuals were earning up to 4,000; 6,530 individuals were earning over 4,000.

5. Average age of death for all Canadians in 1969 was: Males, 62.9 years; Females, 67.3 years.

6. Average age of death for Canadian Indians in 1969 was: Males, 38.6 years; Females, 42.1 years.

7. Distribution of families by number of rooms per dwelling is not available. However, 1961 Census data show that at that time in Canada there were 682,376 households living in dwelling units of three rooms or less.

8. 30.6 per cent of total number of on-reserve families live in houses of three rooms or less.

9. This information is not available for families, but at the time of the 1961 Census there were the following numbers of Canadian households with: Running Water 4,058,313; Installed Bath or Shower 3,659,520; Connection to Sewer 2,902,622; Septic Tank 948,257. The question on electricity was not asked in the 1961 Census.

10. 81 per cent of Indian homes on reserves are equipped with electricity. 25 per cent of Indian homes on reserves are equipped with sewer services or septic tanks. 30 per cent of Indian homes on reserves are equipped with running water. 19 per cent of Indian homes on reserves are equipped with indoor baths.

INFORMATION CONCERNING STAFF OF PRIME MINISTER'S OFFICE AND PRIVY COUNCIL OFFICE

Question No. 1,886—**Mr. Howard (Skeena):**

1. (a) How many full-time employees were there on the staff of the Prime Minister as of October 1, 1971 (b) what was the total salary cost of that staff as of October 1, 1971, in terms of gross annual salary rates?

2. (a) How many full-time employees were there in the Cabinet Secretariat as of October 1, 1971 (b) what was the total salary cost of that staff as of October 1, 1971, in terms of gross annual salary rates?

3. (a) How many full-time employees were there in the Federal-Provincial Relations Secretariat as of October 1, 1971 (b) what was the total salary cost of that staff as of October 1, 1971, in terms of gross annual salary rates?

4. (a) How many full-time employees were there in the Administrative Division of the Privy Council as of October 1, 1971 (b) what was the total salary cost of that staff as of October 1, 1971, in terms of gross annual salary rates?

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): 1. (a) Total of 90 including two by contract, 39 stenographers, and 21 clerical staff and messengers. (b) $915,684.

2. (a) Seventy six, including 31 stenographers and one clerical staff. (b) $1,119,448.

3. (a) thirty two, including 14 stenographers (b) $406,476.

4. (a) One hundred and thirty, including 12 stenographers and 99 clerical staff and messengers. (b) $926,736.

OWEN SOUND AIRPORT—INSURANCE OF LICENCE TO OPERATOR OF NOR-VAR AERODROME

Question No. 1,894—**Mr. Noble:**

Does the Minister of Transport intend to issue a licence to the operator of an aerodrome designated as NOR-VAR, located near Owen Sound, Ontario?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): No. The Minister considers that the NOR-VAR aerodrome is too close (2.6 miles) to the existing Owen Sound Airport.

HIGHWAY SAFETY—LIGHTING, DEFROSTING AND DEFOGGING SYSTEMS

Question No. 1,907—**Mr. Robinson:**

1. Will the government advise when the testing under Canadian conditions to improve vehicle forward lighting systems and rear-window defrosting and defogging systems will be completed?

2. Will the recommended changes apply to used motor vehicles as well as new ones and will the new regulations be implemented this year?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The headlamps comparison phase of vehicle forward lighting systems testing has been completed in September and a computer simulation model will be developed by N.R.C. at the end of the next year. The cold chamber testing of vehicles rear-window defrosting and defogging systems is being completed now; the analysis of data and the evaluation of performance levels are expected to be reported in the spring.

2. Notice of proposed regulations for rear-window defrosting and defogging will be given later in 1972. These safety standards will apply only to vehicles manufactured after the regulation is proclaimed.

CONSULTATIONS CONCERNING SPECIFICATIONS RELATIVE TO FERRIES HOLIDAY ISLAND AND VACATION ISLAND

Question No. 1,921—**Mr. MacDonald (Egmont):**

What consultations took place between the Department of Transport and the Government of Prince Edward Island relative to the specifications for the two ferries, the *Holiday Island* and the *Vacation Island* on the Tormentine-Borden run?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The specifications for these two vessels were compiled after full and careful studies were made of present and future traffic demands. The Government of Prince Edward Island was consulted on the data on which architectural decisions were made and on certain aspects of the vessel design such as cafeterias, etc., for the crew.

QUEBEC—NUMBER OF ENGLISH SPEAKING PENSIONERS IN RECEIPT OF OLD AGE SECURITY

Question No. 1,932—**Mr. Godin:**

In the Province of Quebec, how many English speaking pensioners receive Old Age Security?

Hon. John C. Munro (Minister of National Health and Welfare): Old Age Security records are not kept in such a way as to make it possible to answer this question.

*roHALIFAX HARBOUR—CONTAINER TERMINAL FACILITIES

Question No. 1,933—**Mr. Stanfield:**

1. Has the Minister of Transport completed his review of the serious allegations made with regard to the container terminal facilities in Halifax Harbour and is the Minister now satisfied that all facilities are fully adequate?

2. Will the Minister table any reports or studies on the adequacy of the facilities?

3. Will the Minister inform the House when additional container facilities will be established in Halifax Harbour and has a location been determined?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the answer to that question is rather long, and, with the consent of the House and

particularly of the hon. member, I would ask that it be printed in *Hansard* and considered as read.

Mr. Speaker: Agreed?

Some hon. Members: Agreed.

[*Editor's Note: The above-mentioned answer reads as follows:*]

The National Harbours Board advises as follows: 1. The 55-acre container facility at Pier C in Halifax completed in August of 1971 with two cranes and two berths appears fully adequate to meet short run current demands. Its capacity can be expanded if demand warrants with the addition of one or two cranes.

2. Studies of both long term and short term demands are now in progress by consultants who will recommend the most suitable location for any additional container handling facilities that may be required. The consultants Gibb Albery Pullerits and Dickson were recommended by the Port Task Group of the Metropolitan Area Planning Committee and the studies are financed jointly by the Province and the Federal Government DREE. Publication of the consultants' report is a decision to be made by the Metropolitan Area Planning Committee.

3. The National Harbours Board after receipt of the Consultants' Report will recommend when and where new container ships berths should be constructed. The Minister will report to the House after due consideration the action to be taken on those recommendations.

[*English*]

CAPE BRETON—THE SYDNEYS CONSTITUENCY—PUBLIC WORKS PROJECTS

Question No. 1,939—**Mr. Muir:**

1. What projects will be carried out in the constituency of Cape Breton-The Sydneys by the Department of Public Works during 1971-72?

2. For each project, what is the estimated expenditure?

Hon. Arthur Laing (Minister of Public Works): 1 and 2. The following projects have been completed or are underway in the Constituency of Cape Breton-The Sydneys during 1971-1972:

Project	Cost
New Waterford—	
Accommodation	$ 28.96
North Sydney—	
Fenders and electric outlet	1,400.00
Federal Building—Drainage facilities	8,500.00
Federal Building—Accommodation	53.50
Public Wharf	170.08
Federal Building—Accommodation	106.30
Federal Building—Accommodation	29.50
Wharf	870.00
Federal Building—Accommodation	30.00
Wharf	310.95
Sydney—	
Federal Building—E.M.O. Alterations	7,000.00
Accommodation—D.V.A.	1,486.00
Accommodation—Income Tax	1,779.30
Accommodation—D.O.T.	2,034.00
Accommodation—Federal Building	1,908.00
Accommodation—D.V.A.	25.50
Accommodation—Naval Admin.	187.90
Accommodation—C.M.C.	43.30
Federal Building—Accommodation	43.30
Federal Building—Accommodation	41.00
Federal Building—Accommodation	32.55
Naval Admin.—Accommodation	146.43
Federal Building—Accommodation	40.00
C.M.C.—Accommodation	48.60
C.M.C.—Accommodation	42.10
Federal Building—Accommodation	32.55
Naval Admin.—Accommodation	30.00
Naval Admin.—Accommodation	30.60
Federal Building—Accommodation	92.00
Federal Building—Accommodation	30.00
Federal Building—Accommodation	49.20
Federal Building—Accommodation	45.00
Naval Admin.—Accommodation	300.00
Federal Building—Accommodation	118.00
Federal Building—Accommodation	47.50
C.M.C.—Accommodation	36.56
Federal Building—Accommodation	45.00
R.C.M.P. Admin.—Accommodation	1,404.15
Federal Building—Accommodation	60.00
Federal Building—Accommodation	388.00
Federal Building—Accommodation	25.50
Federal Building—Accommodation	54.00
Federal Building—Accommodation	40.00
C.M.C.—Accommodation	31.20
Federal Building—Accommodation	45.00
Federal Building—Accommodation	72.96
Federal Building—Alterations	600.28
Federal Building—Renovations	146.60
Federal Building—Interior painting	575.00
Various buildings—Window cleaning	16,340.08
Federal Building—Fence repairs	1,397.00
Federal Building—Alterations D.V.A.	1,486.00
Federal Building—Alterations D.O.T.	2,013.00
Federal Building—Alterations Income Tax	1,737.00
Repairs to Heating System	1,905.00
Sydney Mines—	
Accommodation	66.65
New window sash	2,137.00

The following will be carried out or commenced before the end of the present fiscal year: Project: Big Bras D'or, Road acquisition and repairs. Bras D'or, Accommodation—Interior improvements. North Sydney, Wharf; Federal Building—Ramp improvements; Postal—General improvements. Sydney, Federal Building—Roofing repairs; Floor covering; C. & C.A. renovations; Interior

painting P.O.D. Storage; E.M.O. renovations; Department of Labour renovations; Renovations to heating plant; I.A. & N.D. renovations; Naval Administration Building, General improvements. Sydney Mines—C.M.C.—Improvements. Whitney Pier—Postal improvements. It is not customary to give estimated costs before contracts have been awarded.

IMPORTATION OF RUSSIAN TRACTORS

Question No. 1,947—**Mr. Gleave:**

1. When were the first tractors of Russian make imported into Canada?

2. Who was the importer and what was his address?

3. How many Russian tractors have been imported to date and what was (*a*) the total for Canada (*b*) the total for each province?

4. Is a supply of repair parts assured for those tractors which have been sold and are in operation and, if so, where are the parts stored?

5. What discussions has the Department of Agriculture or the Department of Industry, Trade and Commerce had with their USSR counter-parts in order to assure that the conditions of financing and supply would be satisfactorily arranged?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Industry, Trade and Commerce and Agriculture as follows: 1. The first Russian tractors were imported into Canada for trial purposes in 1968. There were eight tractors involved in this phase.

2. The importer was Twin Lake Tractors Ltd. located at the time of importation in Orillia, Ontario. This company is now located in Oakville, Ontario.

3. There have been 115 units of various sizes imported into Canada, since May 1970. Of these, some 40 are in the hands of farmers in Alberta, Ontario and Quebec. The balance is in warehouses in Oakville and Montreal. 70 per cent of the total sales have been to Ontario with the balance split evenly between Quebec and Alberta.

4. Service and repair parts are available for all units in operation in Canada and this service is operated from Montreal.

5. The arrangements made for marketing the Russian built tractors in Canada was a purely commercial venture between Tractorexport and Twin Lake Tractors Ltd. Neither the Department of Industry, Trade and Commerce nor the Department of Agriculture have participated in any discussions with their USSR counter-parts.

SCIENCE COUNCIL EXPENDITURES

Question No. 1,950—**Mr. Howard (Skeena):**

What amount was spent for the fiscal year 1970-71, for the Science Council?

Hon. Alastair Gillespie (Minister of State for Science and Technology): In so far as the Science Council of Canada is concerned, the amount spent for the fiscal year 1970-71 is $1,184,740.97 and the amount of major services provided without charge by other government departments for the same period is $124,240.

MOTOR VEHICLE EMISSIONS

Question No. 1,956—**Mr. Robinson:**

1. Will the government require that all gasoline powered vehicles be fitted in such a manner as to control the pollution of exhaust emission?

2. Will the government ensure that all motor vehicles will have pollution control equipment without increasing the cost of the vehicle to the consumer?

3. To what extent is it anticipated that the pollution control for motor vehicles will be effective and what will be the anticipated percentage of pollution reduction from the average motor vehicle?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The Motor Vehicle Safety Regulations prescribe exhaust and evaporative emission standards for buses, chassis-cabs, multi-purpose passenger vehicles, passenger cars and trucks.

2. The present emission standards have added to the cost of gasoline powered vehicles over those which were manufactured prior to the Regulations. Costs will be considered in establishing future Regulations.

3. Pollution control regulations have already reduced the emissions of carbon monoxide and hydrocarbons from individual motor vehicles by 60 per cent to 70 per cent from the emissions of pre-regulated engines.

FISHERIES—CASSILIS, NORTHUMBERLAND COUNTY FISH HATCHERY

Question No. 1,997—**Mr. Smith (Northumberland-Miramichi):**

1. How many salmon fry were hatched at the Cassilis, Northumberland County Fish Hatchery, in the years 1968, 1969, 1970?

2. What rivers were stocked with such young salmon, and what percentage of the total hatch was deposited in the Miramichi River or its tributaries in those years?

3. What percentage of the eggs used to produce such fry were obtained from salmon caught after August 15, in each of the above years.

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries): 1. 1968, 921,485; 1969, 316,584; 1970, 533,515.

2. 1968—Northwest Miramichi and tributaries; Southwest Miramichi and tributaries; Little Southwest Miramichi and tributaries; and Tabusintac. 1969—Southwest Miramichi and tributaries; Little Southwest Miramichi and tributaries; Northwest Miramichi; Bartibog; and Nepisiquit. 1970—Southwest Miramichi and tributaries; Northwest Miramichi and tributaries; Little Southwest Miramichi and tributaries. Percentages to the Miramichi and its tributaries in 1968 were 99.2; 1969—87.7; 1970—73.8. The remaining percentages were used for smolt production, Fisheries Research Board studies and pollution studies.

3. 1968, 96.4 per cent; 1969, 93.1 per cent; 1970, 59.4 per cent.

WORLD WAR II VETERANS—EDUCATIONAL GRANTS

Question No. 2,004—**Mr. Robinson:**

How many veterans of the Second World War obtained educational grants for (a) elementary school (b) secondary school (c) trades training (d) university education (e) professional education (f) other special courses?

Questions

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Statistical information relating to this question has not been maintained in the categories specified. To provide the information as requested would require an examination of each veteran student's file. Training at the elementary and secondary school levels was provided to approximately 29,000 World War II veterans in order to qualify them for entry to trades training or post-secondary education. Trades training was provided for 80,495 veteran students, and post-secondary education including university was provided to 53,949 veteran students. These figures include those who have received educational benefits under the Pensioners Training Regulations subsequent to the immediate post-World War II period.

WORLD WAR II VETERANS—TOTAL COST OF EDUCATIONAL ASSISTANCE

Question No. 2,008—**Mr. Robinson:**

What was the total amount paid to veterans of the Second World War for educational rehabilitation payments?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): The total cost of educational assistance provided to veterans of World War II under the post-discharge rehabilitation order, the Veterans Rehabilitation Act and Pensioners Training Regulations was $197,202,453 to March 31, 1971 including the costs of education and training paid to educational institutions and allowances to the veteran student.

BRITISH COLUMBIA—REMOVAL OF TRANS-CANADA HIGHWAY SIGNS

Question No. 2,021—**Mr. Southam:**

Does the government support the recently announced British Columbia Government policy to remove Trans-Canada Highway signs on that part of No. 1 Highway going through British Columbia and to replace them with signs "British Columbia No. 1"?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Trans-Canada Highway sign was designed by representatives of all ten provinces in cooperation with federal government officials. By agreement by all ten provinces, this route marker was erected along the entire Trans-Canada Highway. It would be regrettable if the Government of British Columbia or of any other province saw fit to withdraw from this voluntary agreement.

MINIMUM WARRANTY STANDARDS FOR NEW CARS

Question No. 2,032—**Mr. Mather:**

1. Is consideration being given, in co-operation with the provinces, to establishing minimum warranty standards for new cars which will clearly impose upon the manufacturer the responsibility to repair or replace defective parts within a prescribed time limit at no cost to the purchaser?

2. Is consideration being given, in co-operation with the provinces, to initiating and developing an effective program to dispose of abandoned motor vehicles, including a plan to rid the countryside of such vehicles and to speed the re-cycling of old cars into useable materials?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. No.

[Mr. Robinson.]

2. No, it is not within the purview of the Department of Transport.

FEDERAL EXPENDITURES FOR HEALTH AND SCIENCES

Question No. 2,056—**Mr. Orlikow:**

In each of the past three years, what were the federal expenditures on the planning, building and equipping of health sciences teaching facilities for (a) Hospital Construction Grants (b) National Health Grants (c) General Public Health Grants (d) National Research Council (e) Medical Research Council (f) Health Resources Fund (g) others?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of National Health and Welfare and National Research Council as follows: Under the various programs administered within the Health Insurance and Resources Branch, Federal expenditures on the planning building and equipping of health sciences teaching facilities were as follows for the fiscal years 1968-69, 1969-70 and 1970-71: (a) Nil; (b) nil; (c) nil; (d) nil; (e) nil; (f) 1968-69, $33,922,922; 1969-70, $34,382,978; 1970-71, $37,500,000; (g) nil.

NANAIMO HARBOURS COMMISSION

Question No. 2,062—**Mr. Rynard:**

1. What are the names of the three Commissioners serving on the Nanaimo Harbour Commission?

2. What is the total amount of (a) remuneration (b) travel expenses paid to each of the Commissioners of the Nanaimo Harbour Commission?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. (a) Mr. D. Robinson, Chairman; (b) Mr. D. M. Greer; (c) Capt. J. S. Clarke.

2. (A) (a)$1,500 per annum; (b) $1,000 per annum; (c) $1,000 per annum. (B) (January 1, 1971 to October 31, 1971) (a) $1,334; (b) $1,343.65; (c) $1,388.15.

STERILIZATION OF FEMALE PATIENTS AT WHITEHORSE GENERAL HOSPITAL

Question No. 2,077—**Mr. Nielsen:**

1. How many tubal ligations or other similar operations having as their result the sterilization of female patients have been performed at the Whitehorse General Hospital?

2. Of such operations, how many have been performed on Indian patients and how many have been performed on white patients?

3. In each such case where such operations were performed, was a form of consent signed by the patient and obtained from such patient before such operation?

4. If such consent signed by such patient was not obtained, what other authority, if any, was obtained for the performance of such operation?

5. In the case of each such operation, what was the name of the doctor performing the operation?

Hon. John C. Munro (Minister of National Health and Welfare): 1. 112 (During period July 1969 to June 1971 inclusive.)

2. Eight Indians; 104 others.

3. Yes.

4. See question 3.

5. Names of doctors not available. Yukon Territorial Ordinance prohibits publication of information from individual patient's records.

LAND FORECLOSURES—SASKATCHEWAN

Question No. 2,078—**Mr. Gleave:**

1. Have any land foreclosures been made in Saskatchewan due to the unsatisfactory discharge of mortgages provided for by the Farm Credit Corporation in the years 1969-70, 1970-71 and to date in 1971, and, if so, how many in each period?

2. How many farmers in Saskatchewan had Farm Credit mortgages as of (*a*) September 30, 1971 (*b*) September 30, 1970 (*c*) September 30, 1969 and what amount does this represent in each of these years?

3. How many farmers are in arrears in Saskatchewan by (*a*) one year (*b*) two years (*c*) three years (*d*) four years?

4. (*a*) How many actions for foreclosure have been commenced in Saskatchewan, up to the period ending September 30, 1971 (*b*) in those actions commenced, have stay of proceedings been granted by the courts and, if so, how many?

5. Has the Farm Credit Corporation undertaken to pay property taxes on farm lands in arrears in Saskatchewan and, if so (*a*) how many in the years 1969-70, 1970-71 and April 1, 1971, to date (*b*) what amount does this represent in each year?

6. In the case of foreclosures, how is the land disposed of and what is the total net loss or gain in each case?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises as follows: 1. 1969-70, nil; 1970-71, nil; 1971 October 31, Nil.

2. September 30, 1971	**19,932**	**$324,588,890**
September 30, 1970	**19,781**	**$313,897,612**
September 30, 1969	**19,553**	**$304,036,199**

3. (*a*) 2,753; (*b*) 574; (*c*) 72; (*d*) 6.

4. (*a*) One for the period ending Sept. 30, 1971; (*b*) Nil.

5.

(a) 1969-70, Nil 1970-71, Nil 1971 to October 31, Nil
(b) 1969-70, Nil 1970-71, Nil 1971 to October 31, Nil

6. Not applicable.

POWDERED MILK PURCHASES

Question No. 2,084—**Mr. Lambert (Bellechasse):**

1. Have any commercial organizations or companies requested to buy powdered milk for exporting purposes during the month of October 1971 and, if so, which organizations or companies?

2. Which organizations or companies did buy powdered milk and in what quantities?

Hon. H. A. Olson (Minister of Agriculture): In so far as the Canadian Dairy Commission is concerned, the answer is: 1. During the month of October some commercial organizations, both Canadian and foreign, enquired of the Canadian Dairy Commission whether it had milk powder for sale for export. The Commission had no powder and no record was kept of the enquiries. Information is not available as to requests to private Canadian organizations.

2. None from the Canadian Dairy Commission. Information is not available as to purchases from private Canadian companies.

COMMUNICATIONS SATELLITES

Question No. 2,104—**Mr. Robinson:**

Will a system of communications satellites obviate the necessity of having cablevision and will the government consider the feasibility of providing sufficient communications satellites so that Canadians will not require cablevision to obtain TV viewing excellence?

[*Translation*]

Hon. Robert Stanbury (Minister of Communications): A system of communication satellites is not expected, in the near future, to obviate the necessity of having cablevision for those who wish to enjoy a variety of signals and who wish to avoid the use of an antenna. The government is engaged in research work in the communications satellite field, designed to take maximum advantage of what this new technology has to offer. It is expected that, in the course of time, broadcasting from satellites direct to homes will prove to be attractive in certain situations, perhaps first in the rural and remote areas and later in urban areas. A great deal more needs to be known about the costs before accurate predictions can be made.

[*English*]

NEW MONTREAL INTERNATIONAL AIRPORT—LAND ACQUISITION

Question No. 2,109—**Mr. Hales:**

1. What is the area in square miles of the new airport at Ste. Scholastique in Quebec?

2. How many acres have been acquired to date?

3. What was the top price paid per acre?

4. What was the lowest price paid per acre?

5. What was the average price paid per acre?

6. Was the land acquired by expropriation and, if not, by what other means?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. 28 square miles for the airport proper.

2. 15,000.

3. $1,000 including buildings.

4. $500 including buildings.

5. $725 including buildings.

6. Yes.

QUESTIONS PASSED AS ORDERS FOR RETURNS

REGIONAL DEVELOPMENT INCENTIVES ACT—DISTRIBUTION OF INDUSTRIES

Question No. 1,278—**Mr. McGrath:**

Since the inception of the Regional Development Incentives Act, what was the distribution of industries, by establishment size, within each province?

Return tabled.

Orders for Returns

PENITENTIARIES—SOLITARY CONFINEMENT

Question No. 1,504—**Mr. Robinson:**

1. How many inmates of federal penitentiaries were placed in solitary confinement each year 1965 to 1970?

2. For what reasons were each held in solitary confinement and what was the duration of time that each served, during each period of solitary confinement?

Return tabled.

MANPOWER TRAINING ACT

Question No. 1,867—**Mr. Orlikow:**

1. How many adults in each province took courses under the provisions of the Manpower Training Act in each month in the year 1970?

2. How many adults in each province took courses under the provisions of the Technical-Vocational Training Assistance Act in each month in the year 1970?

Return tabled.

NUMBER OF INMATES IN FEDERAL CORRECTIONAL INSTITUTIONS

Question No. 1,868—**Mr. Orlikow:**

1. How many inmates are there in federal correctional institutions at the present time?

2. How many inmates are there in each of the institutions under (a) maximum security (b) medium security (c) minimum security?

3. How many paroles were granted to the inmates of federal correctional institutions for each of the past two years, and of these, how many were (a) maximum parolees (b) medium parolees (c) minimum parolees?

4. How many inmates are there in federal correctional institutions serving sentences after being sentenced to preventive detention, and in which institutions are these people detained?

5. In the past two years, how many inmates serving sentences under preventive detention were paroled?

6. In the past two years, what was the average time served by inmates paroled from Canadian institutions?

Return tabled.

STUDENT SUMMER EMPLOYMENT

Question No. 1,938—**Mr. Muir:**

1. How many students were employed during the summer of 1971 at the Cape Breton Highlands National Park and at the Fortress of Louisbourg?

2. What are the names and addresses of these students?

3. What positions did they fill and what salary did each receive?

Return tabled.

HEALTH RESOURCES FUND

Question No. 2,061—**Mr. Rynard:**

1. What is the total of all monies paid by the Health Resources Fund to the provinces since its inception?

2. By year, what was the amount paid to each province?

3. Have there been any cutbacks to any provinces and, if so, which provinces?

Return tabled.

[Mr. McGrath.]

MOTIONS FOR PAPERS

COPY OF REPORT ENTITLED "ECONOMIC IMPACT STUDY OF ALTERNATIVE NATIONAL PARK PROPOSALS AT VAL MARIE, SASKATCHEWAN"

Motion No. 259—**Mr. Burton:**

That an Order of the House do issue for a copy of a report prepared for the Department of Indian Affairs and Northern Development by Kaplan Consulting Associates Limited, entitled "Economic Impact Study of Alternative National Park Proposals at Val Marie, Saskatchewan".

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 259 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary, is it agreed that this motion be deemed to have been adopted?

Some hon. Members: Agreed.

Motion agreed to.

Mr. Jerome: Mr. Speaker, would you be so kind as to call Notices of Motions Nos. 75, 243, and 256.

DEPARTMENT OF TRANSPORT—RESEARCH STUDIES

Motion No. 75—**Mr. Skoberg:**

That an Order of the House do issue for copies of the research studies undertaken by the Transportation Policy and Research Branch of the Department of Transport as reported in answer to Question Number 223 in *Hansard* of December 17, 1969 at page 2069.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I move this motion on behalf of the hon. member.

Mr. Gérard Duquet (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, this motion seeks the release of 12 different consultant studies prepared for the transportation policy and research branch of the Ministry of Transport. Some of these studies have already been tabled, others have been provided to the hon. member. The three remaining studies are considered confidential and under the circumstances I would ask the hon. member to withdraw the motion.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if the motion could stand until the hon. member returns.

Mr. Speaker: Stand.

Motion stands.

1971 CENSUS, REGINA EAST—NAMES OF PERSONS EMPLOYED

Motion No. 243—**Mr. Burton:**

That an Order of the House do issue for a copy of the following regarding the 1971 Census (*a*) the names of all census enumerators in the constituency of Regina East (*b*) the names of all others who were engaged to work on census work in the constituency of

Regina EAst (c) the names of all those who applied for work in taking the census but who were not engaged.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, parts (a) and (b) are acceptable; however, with respect to part (c), Statistics Canada is applying the same rule as in section 25 of the Public Service Employment Regulations. Section 25 prevents such disclosure without consent of the individual concerned. The Minister of Industry, Trade and Commerce (Mr. Pepin) feels that it would not be in anyone's best interest to secure such consent and to publish these names. If this is agreeable to the hon. member we would table the requirement in parts (a) and (b).

Mr. Burton: Mr. Speaker, I will agree to the proposal as it is now subject to my right to resubmit a motion dealing with section (c).

Motion agreed to.

CORRESPONDENCE RELATIVE TO SPECIFIC PROJECTS OF THE OPPORTUNITIES FOR YOUTH PROGRAM

Motion No. 256—**Mr. MacDonald (Egmont):**

That an Order of the House do issue for a copy of all correspondence between Ministers of the Crown and the Secretary of State relative to the approval of specific projects of the Opportunities for Youth Program.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, it is considered that such correspondence is of a confidential nature and that it would not be in the public interest to disclose it. I would request, therefore, that the hon. member be kind enough to withdraw his motion.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, I find this an unusual request insasmuch as cabinet ministers are being given preferential treatment relative to other members of the House. It is a well known fact that members were asked to communicate with the minister in respect of this program. Therefore I would ask for an immediate vote.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate.

• (3:40 p.m.)

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

FORTHCOMING MEETING OF PRIME MINISTER AND U.S. PRESIDENT—REQUEST FOR STATEMENT ON AGENDA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister about his trip to Washington on Monday. In view of the statements from the President's office in Washington that the meeting with our Prime Minister is being held as part of the President's plan to meet with allied leaders prior to his visits to China and the USSR, can the Prime Minister tell us what is the principal purpose of his visit to Washington and what topics are on the agenda.

Right Hon. P. E. Trudeau (Prime Minister): On the agenda, Mr. Speaker, I am afraid I cannot enlighten the House yet. There has been no final agenda agreed to. The indication I have is that the President would prefer a very wide ranging discussion on very general matters, international and bilateral. For my part, I do intend discussing with the President some of these international matters but equally matters of concern to us as a result of Mr. Nixon's measure of last August.

FORTHCOMING MEETING OF PRIME MINISTER AND U.S. PRESIDENT—POSSIBLE BREAKTHROUGH IN SOLVING PROBLEMS

Hon. Robert L. Stanfield (Leader of the Opposition): A supplementary question, Mr. Speaker. In view of some of the statements from the Prime Minister's office, I should like to ask the Prime Minister what kind of "major breakthrough" he was referring to when he spoke to the press I think on Monday last? What kind of "major breakthrough" was the right hon. gentleman hoping for?

Right Hon. P. E. Trudeau (Prime Minister): I am rather certain I did not talk of a major breakthrough. What I did indicate was that discussions had been going on at the official and ministerial level for weeks and months, particularly since the August measures by the United States, and that we felt there were a certain number of questions which might be brought to a head at the meetings in Washington next Monday between the president and myself.

FORTHCOMING MEETING BETWEEN PRIME MINISTER AND U.S. PRESIDENT—DISCUSSIONS OF AUTO PACT AND ARMS PRODUCTION SHARING

Hon. Robert L. Stanfield: I think the Prime Minister has indicated that he hopes to discuss the economic initiatives taken by the president in August, that is the surcharge. May I ask the Prime Minister whether he also intends to discuss with the president the auto pact and the arrangements we have between the two countries regarding production of armaments.

Right Hon. P. E. Trudeau: It is possible that these questions will be discussed. I am waiting to learn from officials whether they are at the stage, as I think they are, at which we might be able to reach some conclusions. If further discussions are needed between officials, I will not try to take any final position in Washington.

FORTHCOMING MEETING OF PRIME MINISTER AND U.S. PRESIDENT—ALLEGED AGREEMENT TO REMOVE AUTO PACT SAFEGUARDS—REQUEST FOR STATEMENT OF GOVERNMENT POSITION

Mr. David Lewis (York South): I should like to ask the Prime Minister whether reports that some agreement at the official level with regard to Canada's abandoning of certain safeguards in the auto pact are correct, and whether the Prime Minister intends to inform the House before he goes to meet the president of the United States

of the government's position with regard to the auto pact, and particularly whether the government is in fact ready to agree to the removal of the safeguards contained in it.

Right Hon. P. E. Trudeau (Prime Minister): As I have just indicated to the Leader of the Opposition, it is possible that by next Monday we will be in a position to state to the president Canada's bargaining position on this. I am not in a position to do so now. Both I and the Minister of Industry, Trade and Commerce have said that the auto pact has been under discussion for many months, even before President Nixon's measures last August, and that of course there is always the possibility that one or the other side would denounce the pact and cease making it operative. That is why in our discussions we have always tried to ensure that there would not only be the best possible deal for Canada but that there would be also a deal which would be acceptable to the United States.

FORTHCOMING MEETING OF PRIME MINISTER WITH U.S. PRESIDENT—POSSIBLE LACK OF NECESSITY TO BARGAIN FOR REMOVAL OF SURTAX

Mr. David Lewis (York South): May I ask the Prime Minister whether he will inform the House, and therefore the people of Canada, what the government's position is with regard to the negotiations on the auto pact. May I also ask him whether he has found, in the surveys that have been made I understand, that the impact of the 10 per cent surtax makes it unnecessary for him to seek to bargain with the president of the U.S. to have it removed so far as Canada is concerned.

Right Hon. P. E. Trudeau (Prime Minister): We always took the position that we would not bargain for the removal of the 10 per cent surcharge. It was a unilateral decision by the United States, and we do not intend to bargain in any sense with the United States or to give away any of the things which we believe to be in Canada's interest in exchange for the withdrawal by the U.S. of its unilateral measure. As to the auto pact itself, it has been under discussion for many months, as I have said, long before the measures last August, and the two subjects are not related.

FORTHCOMING MEETING OF PRIME MINISTER WITH U.S. PRESIDENT—APPROVAL OF GRAY REPORT AND SCREENING MECHANISM BY WASHINGTON

Mr. J. P. Nowlan (Annapolis Valley): In the discussions which the Prime Minister will have with the president of the U.S., can he assure the House that the so-called leaked Gray report will not be approved by the president before it is approved by the Parliament of Canada?

Mr. Speaker: The hon. member may ask a supplementary question.

Mr. Nowlan: In view of the fact that the Prime Minister failed to rise in his place to answer my first very logical and serious question, could the Prime Minister assure the House and thus the country that the screening mechanism outlined in the Gray report is not to be the White House of the U.S.?

[Mr. Lewis.]

Mr. Speaker: I will return to the hon. member for York South for a supplementary question.

REQUEST FOR ANNOUNCEMENT OF GOVERNMENT POLICY ON FOREIGN OWNERSHIP BEFORE PRIME MINISTER MEETS U.S. PRESIDENT

Mr. David Lewis (York South): I should like to ask the Prime Minister, in order to avoid misunderstanding, whether we can expect that he or some member of the cabinet will announce the government's policy with regard to foreign ownership, the screening process or whatever elements there are in that policy, before he sees the president of the U.S. and therefore before he discusses that policy with him, because in answer to a question some days ago the Prime Minister said that that subject might be discussed with the president of the U.S. Therefore, I would like to know whether we will hear from him before that happens.

Right Hon. P. E. Trudeau (Prime Minister): When I dealt with this matter a few days ago, I indicated that the government intended announcing its policy and publishing the background material on the facts and the analysis at the same time. I indicated that this was really a technical question of translation, printing, editing, and so on. I made this announcement before I, myself, knew that I was going to see the president next Monday, and we have been trying to do this as quickly as possible. The government's position is known to the government. We will make it known to the country as soon as possible under the conditions which I indicated to the House a few weeks ago.

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THE CANADIAN ECONOMY

UNITED STATES SURCHARGE—POSSIBILITY OF REMOVAL IF AUTO PACT SAFEGUARDS REMOVED

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question for the Prime Minister. Has the government received any assurance from the government of the United States that the 10 per cent surcharge, as it applies to imports from Canada, will be removed if the two principal safeguards embodied in the auto pact are eliminated?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

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EXTERNAL AFFAIRS

FORTHCOMING MEETING OF PRIME MINISTER WITH U.S. PRESIDENT—INQUIRY AS TO AGENDA—POSSIBLE DISCUSSION OF ENERGY

Mr. Eldon M. Woolliams (Calgary North): In view of the questions being put to the Prime Minister I wonder, without going into detail because I am not suggesting that would be proper, whether the Prime Minister would make a short statement before he goes to see the president

indicating the subjects he intends to discuss. That is the first part of my question.

The second part relates to the matter of energy. Is it the intention of the Prime Minister to discuss this, particularly in view of the fact that our proven reserves in the last ten years have moved from 23 trillion to 60 trillion cubic feet, and there is a need for energy in the United States as well as a need for trade.

Right Hon. P. E. Trudeau (Prime Minister): I can only repeat that I cannot say what the agenda will be or what it will include, mainly for the reason that it has not yet been arrived at. I am only able to repeat what I said to the Leader of the Opposition, that I had an indication from the White House that they wanted to have a general discussion on international and bilateral talks. It is possible that we will raise the question then.

FORTHCOMING MEETING OF PRIME MINISTER WITH U.S. PRESIDENT—POSSIBILITY OF AGREEMENT BY CANADA TO RAISE CEILING ON DUTY FREE PURCHASES BY TOURISTS

Mr. S. Perry Ryan (Spadina): My supplementary question is for the Prime Minister. Has the government tentatively agreed to raise the $24 ceiling on duty free purchases by Canadian tourists in the United States to make it more in accord with the allowances that the Americans give to Canadians, and will this agreement be formalized during the Prime Minister's visit to Washington?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, we have not so agreed. But if we had, I imagine it would be very unwise of me to tell the House that we had if we wanted to use this as a bargaining point with the United States. It seems unwise for the opposition to ask the government to put all its cards on the table and thus throw away all its bargaining points.

Mr. Speaker: The Leader of the Opposition has a supplementary question. But first, I take the liberty of bringing to the attention of hon. members that there are quite a few supplementary questions which are being sought, and we may have to limit them in a short while. For the moment, the Chair has recognized the Leader of the Opposition.

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TRADE

ALLEGED AGREEMENT BY CANADA TO REMOVE AUTO PACT SAFEGUARDS AND INCREASE TOURIST ALLOWANCES—REFERENCE TO STATEMENT BY MINISTER

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to ask the right hon. Prime Minister whether the Secretary of State for External Affairs was stating government policy when, as reported in the Toronto *Star* of today, he said that Canada agreed to drop the safeguards in the auto pact for two years and tourist allowances would be enlarged.

• (3:50 p.m.)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Secretary of State for External Affairs informs me that he never said such a thing. He was not correctly quoted by the Toronto *Star*. He said that these subjects were discussed but that is as far as he went, and that we were studying them but that no decision had been made; certainly, none was announced by him.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—REQUEST FOR STATEMENT OF GOVERNMENT POLICY IN ADVANCE OF RELEASE OF GRAY REPORT

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the acknowledged difficulties that he has pointed out regarding the publishing and the printing of the Gray study, would he state government policy in advance of the publication of this study to end the uncertainty?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

* * *

[*Translation*]

AIR TRANSPORT

USE OF FRENCH LANGUAGE IN QUEBEC AIR CONTROL TOWERS—FEAR FOR SAFETY OF OPERATION

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the hon. Minister of Transport.

In view of the fact that about a month ago in the House the Minister of Transport was informed that the president of the Air Traffic Controllers Association, Mr. Campbell, was really concerned about the use of French in certain Quebec control towers, would the minister be in a position to tell if Mr. Campbell's concern is well founded or if this is news of minor importance only.

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, on Friday last I had what was agreed by both parties, and was so stated publicly, a most useful and successful meeting with representatives of the Air Controllers Association. This subject was fully covered. I think I can make two reports to the House. The first is that the bilingual policy, as it has been announced in relation to air controllers, does not in any way compromise safety, and the second report is that it is not an abnegation of the government's policy as stated with regard to bilingualism.

* * *

EXTERNAL AFFAIRS

FORTHCOMING MEETING OF PRIME MINISTER WITH U.S. PRESIDENT—POSSIBILITY OF CONCESSIONS ON DEFENCE SHARING AND ARMS PURCHASES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is supplementary to one asked previously by the Leader of the Opposition, and deals with

discussions that the Prime Minister might have with the President of the United States on questions of armaments and defence sharing. Would the Prime Minister indicate whether, in determining positions before he goes to Washington, he has concluded that this might be an area where we may have to make some major concessions with respect to future purchases of equipment for the Canadian Armed Forces?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not see how a member can ask the government to say in advance that it is seriously prepared to make a concession in a negotiation that has not yet begun.

FORTHCOMING MEETING OF PRIME MINISTER WITH U.S. PRESIDENT—REQUEST FOR DISCUSSION OF INTERNATIONAL GRAINS ARRANGEMENT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister. In light of his pending visit to Washington on Monday next, would he consider placing high on his agenda of discussions with President Nixon an item asking for the President's full support in a move to re-activate the International Grains Arrangement, more particularly as it would establish a floor price for wheat?

Right Hon. P. E. Trudeau (Prime Minister): I will take the hon. member's suggestion under consideration, Mr. Speaker.

* * *

FAMILY INCOME SECURITY

STATUS OF NEGOTIATIONS WITH QUEBEC—REQUEST FOR STATEMENT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. Since the right hon. Prime Minister indicated yesterday that he could not give an assurance that negotiations on social security with the province of Quebec will be completed before the introduction of that province's family allowance bill on December 25, could the minister indicate what stage negotiations have reached at the present time?

Hon. John C. Munro (Minister of National Health and Welfare): There are ongoing discussions, Mr. Speaker.

GOVERNMENT INTENTIONS WITH REGARD TO BILL C-264

Mr. Jack Marshall (Humber-St-George's-St-Barbe): As a supplementary question, Mr. Speaker, can the minister indicate when we can expect second reading of Bill C-264, and is it still his intention to put increased family allowances into effect before May 1, 1972?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, it is the intention of the government to proceed with the legislation depending on the time available in the House for it and on discussions with the provinces, including Quebec. Precisely when it will come before the House depends on both these matters.

[Mr. Forrestall.]

HEALTH

GOVERNMENT ASSISTANCE TO PROVINCIAL PROGRAMS FOR NURSES IN MIDWIFERY TO RELIEVE SHORTAGE OF DOCTORS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the serious and acute shortage of doctors, is the government prepared to explore ways of assisting the provinces in establishing programs for nurses in midwifery? In this respect, I mention the program which is currently being undertaken in the province of Ontario?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, through national health grants we are already supporting many demonstration projects being carried out in the provinces through medical schools, having this purpose in mind.

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INDIAN AFFAIRS

ALLEGED APPROVAL OF ROUTE OF PIPELINE THROUGH LANDS COVERED BY TREATIES 8 AND 11

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. I would like to ask the minister whether he has conveyed to Westcoast Transmission Company a letter of intent with regard to a right of way for what is known as the Pointed Mountain Pipeline and, if he did, was he aware of the fact that this proposed pipeline would pass through territory involved in Treaties 8 and 11, concerning which no settlement of Indian lands has been arrived at?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the answer to the first part of the question is yes.

As for the second part, the hon. member himself gave the answer when he said that treaties nos. 8 and 11 have not been settled, which means that no lands have been made available to Indians in that area of the country.

[*English*]

REQUEST FOR SUSPENSION OF APPROVAL FOR CONSTRUCTION OF PIPELINE

Mr. Thomas S. Barnett (Comox-Alberni): As a supplementary question, Mr. Speaker, may I ask the minister whether in view of the objections to his course of action, which have been voiced by the Indians of the Northwest Territories, he will inform Westcoast Transmission that he is suspending this approval for the time being, and certainly until the Energy Board has held its hearings?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we consulted with Indians of the Liard River area in that regard and several of them worked at the construction of installations there, and will later work on the pipeline project. I do not think it would be wise to take a new decision at this stage.

INQUIRY AS TO SUSPENSION OF SUPERVISOR OF EDUCATION

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. Is it true that a certain individual—

Mr. Speaker: Order, please.

Mr. Horner: —in charge of the supervision of Indian education has been fired recently—

Mr. Speaker: Order, please.

Mr. Horner: —because he attended a meeting of the Indian Affairs Committee?

Mr. Speaker: Order, please. The hon. member knows that a question cannot be asked in this way. Perhaps the minister might assume that the question has been asked correctly, and so reply to it.

Mr. Horner: Mr. Speaker, I wonder if I might rephrase my question.

Mr. Speaker: I was hoping that the minister understood it, but perhaps the hon. member might rephrase it.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I was informed that someone was suspended for failing to meet obligations towards the Public Service Commission of Canada. Under the regulations governing the Commission that person was suspended as are all civil servants behaving likewise.

[*English*]

Mr. Horner: Mr. Speaker, the minister has suggested that a certain individual has been suspended. Would he qualify that? Does that mean suspended for X number of days or for X number of reasons, or does it mean fired, dismissed, and a complete *fait accompli* with regard to his employment?

Mr. Chrétien: Mr. Speaker, to me, "suspendu" means suspension.

* * *

IMMIGRATION

ALLEGED SMUGGLING OF ALIENS INTO UNITED STATES—REQUEST FOR REFERENCE TO STANDING COMMITTEE.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, a few days ago I asked the Acting Prime Minister if the government had yet a report on an investigation made in connection with allegations of large scale smuggling of aliens into the United States from the Montreal area. I should like now to ask the Acting Minister of Manpower and Immigration, in light of new charges concerning large scale traffic in the smuggling of aliens and immigrants into the United States from both British Columbia and the Montreal area, when will the government be introducing its amendments to the Immigration Act and will the government refer this matter and related matters to a committee of this House to make a thorough and complete investigation?

Hon. Bryce Mackasey (Acting Minister of Manpower and Immigration): Mr. Speaker, the question of illegal entry of persons to the United States by way of Canada is one of continuous concern to the minister. He will be back in his place in the House on Monday, and I hope to see the question referred to him as early as possible.

* * *

[*Translation*]

INDUSTRY

MEETING BETWEEN PRIME MINISTER AND U.S. PRESIDENT—POSSIBILITY OF SALE OF CL-215 AIRCRAFT MANUFACTURED BY CANADAIR

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, as the Prime Minister has left the House, I will direct my question to the Acting Prime Minister.

Could the minister tell us whether the Prime Minister will take the opportunity of his meeting with President Nixon to discuss the possible sale of CL-215 aircraft to the United States, in order to create employment at Canadair, which is seriously affected by unemployment these days?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think the Prime Minister has said that the agenda has not been discussed, but I do know it will be the purpose of the Prime Minister in his representations to the United States to support the economy and employment in Canada.

• (4:00 p.m.)

Mr. Speaker: The hon. member for Mackenzie. I apologize to the hon. member for Sainte-Marie, he had a supplementary question. The hon. member for Mackenzie will be recognized afterwards.

[*Translation*]

Mr. Valade: I have a supplementary, Mr. Speaker.

In order to clarify my question as well as the minister's answer, does the minister intend to ask the Prime Minister to suggest to the United States that they buy CL-215 aircraft, with a view to increasing production at Canadair?

* * *

[*English*]

THE CANADIAN ECONOMY

WINTER WORKS PROGRAM—POSSIBLE CHANGE IN MAN-MONTH REGULATION

Mr. S. J. Korchinski (Mackenzie): Some time ago I directed a question to the Minister of Manpower and Immigration which was taken under advisement by the Minister of Labour. It related to the 30-man hour requirement before a project could be approved. At that time the minister said he would take it under advisement. Has any decision

been made in this regard so that smaller municipalities may participate in the program?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I took the matter up with the deparment, and I think the question was raised subsequently in the House. The minister pointed out that the department was quite responsive to the concept of pooling small projects for smaller municipalities. There seems to have been some objection from certain municipalities to the basic formula, however. After the review of the 30-man day concept in the next few weeks, possibly the minister would be able to make a statement on whether it is necessary to vary this particular format.

Mr. Korchinski: May I ask, after the government has made a decision in this regard whether they will be meeting with some of these municipalities to discuss some sort of formula that could be implemented immediately so that there would be no further delay in this matter?

Mr. Mackasey: Mr. Speaker, the present scheme allows for a 30-man day formula. The difficulty with this formula is that some of the smaller municipalities and some of the smaller projects are unable to meet this standard. The minister has suggested, with some effectiveness, that certain projects be pooled in order to meet the 30-man day formula, which means hiring only six people over five months. If this proves to be ineffective as well, then I presume the minister would want to consider further modifications.

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STATUS OF WOMEN

INQUIRY AS TO REPORT OF TASK FORCE STUDYING RECOMMENDATIONS OF COMMISSION

Mrs. Grace MacInnis (Vancouver-Kingsway): In the absence of the Prime Minister, I should like to ask the Minister of Labour a question arising out of the statement the Prime Minister made today that the task force considering the Status of Women report has finished its work. Could the minister, who has now taken upon himself the heavy responsibility of dealing with women's rights, give some idea when this task force report will be tabled in the House?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I am at a disadvantage, not having been here when the Prime Minister made the announcement. If I recall the report, it was sent to the appropriate interdepartmental committee. That committee has finalized its report, and is in the process of reporting back to me. I would imagine it would be at least two months before the report of the interdepartmental committee is on my desk for appropriate action.

RIGHTS OF INDIAN WOMEN WHO MARRY NON-INDIANS—REQUEST THAT FEDERAL GOVERNMENT UPHOLD DECISION OF COURT

Mr. Eldon M. Woolliams (Calgary North): A supplementary question for the minister of Justice. In light of the last question, and in light of the fact that the appeal court has ruled there should be equity as between women, will he now instruct the counsel whom he will pay to represent the Attorney General of Canada to take the position that the law as set down in the appeal case should be upheld by the Supreme Court of Canada?

Hon. John N. Turner (Minister of Justice): I made my statement earlier today, Mr. Speaker.

* * *

LABOUR CONDITIONS

REQUEST FOR REVIEW OF FEDERAL LEGISLATION TO ENSURE EQUALITY BETWEEN SEXES

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the Minister of Labour supplementary to that posed by the hon. member for Vancouver-Kingsway. Unlike the Minister of Justice, who does not believe in the equity of the sexes,—

An hon. Member: Wait till he goes home.

Mr. Alexander: —I was wondering whether the Minister of Labour was now in a position to advise us if he is now reviewing the Fair Employment Practices Act and other labour legislation in order that we can have some consistency with regard to equality of the sexes? Has he any report in this area?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the legislation which has been brought forward so far this session reflects this positive approach. I am hopeful that in the next session of Parliament, when the Fair Employment Practices Act is revised, it will further reflect the principle that all of us in this House support, that of equality between the sexes.

An hon. Member: Would that be for Indians, too?

Mr. Alexander: A supplementary question to the Minister of Labour. At the time he brings in this legislation, I wonder if he would take the matter up specifically and primarily first with the Minister of Justice.

Mr. Mackasey: Mr. Speaker, I have always found the Minister of Justice to be a very strong advocate in this particular field.

Some hon. Members: Oh, oh!

An hon. Member: He is one of your boys.

Mr. Nowlan: One Irishman to another.

[*Translation*]

CANADIAN NATIONAL

CLOSING OF STATIONS IN BELLECHASSE—REQUEST THAT CTC HOLD PUBLIC HEARINGS

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

In view of the intention of the Canadian National authorities to close many stations in my constituency and to replace them by another service called Servo-Centre, may I ask the minister whether the Canadian Transport Commission will hold public hearigns in the area in order to provide those involved with an opportunity to express their views in that respect?

[*English*]

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am not sure if this rationalization by the Canadian National Railways in the servo-centre sense is one which comes under the Canadian Transport Commission. I am making inquiries and will inform the hon. member.

* * *

POWER

PROPOSED JAMES BAY HYDRO-ELECTRIC PROJECT—EFFECT ON ENVIRONMENT AND INDIANS

Mr. Steven E. Paproski (Edmonton Centre): My question is directed to the Minister of the Environment and also to the Minister of Indian Affairs and Northern Development. In view of the fact that the Quebec government has let a $20 million road contract in connection with the James Bay Power Project, what steps have been taken by the federal government to determine the effects this project will have on the environment, and what steps are being taken to protect the livelihood of thousands of native people which could be jeopardized?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, perhaps the Minister of Indian Affairs and Northern Development might handle the latter part of the question. There is a joint study going on in respect of the environmental effects between the province of Quebec and the federal Department of the Environment. Preliminary results will be made available in a study to be published in a few weeks time.

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, may I be allowed to answer the question of—

[*English*]

Mr. Paproski: On a point of order, Mr. Speaker. I would very much appreciate it if the Minister of Indian Affairs and Northern Development could answer the latter part of the question, since it is very important.

Mr. Speaker: This is what the minister was trying to do.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I was already standing to reply to the hon. member, and I am happy to tell him that the Quebec government, the federal government and the Indians have agreed that a conciliator should consider the problems of all Indians in this area, and the conciliator involved is already at work.

[*English*]

Mr. Speaker: Order, please. I would recognize the hon. member for St. John's East. We will be running short of time in a few minutes, so perhaps hon. members who have had an opportunity to ask questions during this question period will have to wait until tomorrow. The hon. member may have a supplementary, but we will have to try to limit supplementaries during the next eight or nine minutes.

Mr. Paproski: Thank you, Mr. Speaker. The only reason I would like to ask a supplementary is that both ministers will not be here tomorrow, so I appreciate this opportunity. I hope the Minister of Indian Affairs and Northern Development will make sure that the consultation with the native people of this area will not be of the same type as it has been in Alberta, so that we will not have the same confrontation—

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Chrétien: The Quebec Indians are not coached like those in Alberta.

[*English*]

Mr. Speaker: Order, please. The hon. member for St. John's East has the floor.

* * *

REGIONAL ECONOMIC EXPANSION

ATLANTIC DEVELOPMENT COUNCIL REPORT—INQUIRY AS TO DECISION ON RECOMMENDATIONS

Mr. James A. McGrath (St. John's East): I should like to direct a question to the Minister of Regional Economic Expansion. Since the first report of the Atlantic Development Council has been on the table of this House since April 7, and since it contains important recommendations on the strategy for development of the Atlantic region, may I ask the minister if any policy decision has been taken on those recommendations and if not, why not?

Hon. Jean Marchand (Minister of Regional Economic Expansion): No, not yet, Mr. Speaker.

Mr. McGrath: A supplementary question. I ask the minister if the government intends to adopt, in whole or in part, the recommendations of the Atlantic Development Council?

Mr. Marchand (Langelier): We are surely going to adopt some of the recommendations, but certainly not all, Mr. Speaker.

* * *

TRADE

FREE TRADE ALLEGED OBJECTIVE OF AUTO PACT—CANADIAN POSITION

Mr. Edward Broadbent (Oshawa-Whitby): A question for the Secretary of State for External Affairs. Following the publication in today's *Globe and Mail* of a letter by the important Chairman of the United States Finance Committee, Russell Long, in which he reiterates the American position that the autopact is a free trade agreement, and following a report that came today from Washington to the effect that senior Canadian and American officials

have agreed on the abandonment of the safeguards in the autopact, could the minister inform the House that it is the Canadian position that one of the objectives of the autopact is free trade in automobiles?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, one of the immediate effects of the automobile agreement, which was criticized in many parts of the House, was to open up a great deal of trade between Canada and the United States. The principal objection of the United States was that they felt we got a great deal more advantage out of it than they did. Perhaps, my hon. friend agrees but I do not.

• (4:10 p.m.)

AUTO PACT—ALLEGED AGREEMENT TO ABANDON SAFEGUARDS

Mr. Edward Broadbent (Oshawa-Whitby): A supplementary question. Having received no answer at all, I ask the minister if it is government policy, as reported in Washington today, that the Canadian government is willing to give up the existing safeguards on the Canada-U.S. automotive agreement.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Put in that way, Mr. Speaker, the answer is no.

* * *

UNITED NATIONS

CANADIAN POSITION ON REACTIVATION OF JARRING COMMISSION AND SECURITY COUNCIL RESOLUTION 242

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the Secretary of State for External Affairs. In the United Nations General Assembly debate, is the Canadian delegation taking any initiatives which might lead to a reactivation of the Jarring commission which might bring about a situation in the Middle East whereby the Security Council resolution 242 might become something close to an actuality?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is the objective of the Canadian government to support resolution 242. We would be very happy if Ambassador Jarring could resume his activities. This is the general purpose of our activities in New York at the present time. However, as the hon. member knows, there are many difficulties in the way.

* * *

INDIAN AFFAIRS

REFERENCE TO SUPREME COURT OF RIGHTS OF INDIAN WOMEN MARRIED TO NON-INDIANS—COSTS OF LEGAL COUNSEL

Mr. Robert Simpson (Churchill): My question is for the Minister of Indian Affairs and Northern Development. Earlier this afternoon there was an announcement by the Minister of Justice regarding a decision handed down by the Federal Court respecting the rights and privileges of Indian women married to non-Indians. The minister said this decision will be referred to the Supreme Court. Can the minister assure the House that the costs of legal counsel chosen by the Indians will be taken care of by the department?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am prepared to consider the hon. member's suggestion.

[*English*]

[*Later:*]

RIGHTS OF INDIAN WOMEN MARRIED TO NON-INDIANS—REQUEST FOR CONSIDERATION OF RETROACTIVE ASPECT OF COURT DECISION

Mr. Robert Simpson (Churchill): A supplementary question to the Minister of Indian Affairs and Northern Development. Since a decision was handed down some time ago by the Federal Court respecting the rights of Indian women married to non-Indians, can the minister say whether any study is being made by his department to give consideration to the retroactive aspects of this for the protection of Indian women who married non-Indians in the past and lost their Indian rights?

[*Translation*]

Mr. Chrétien: Mr. Speaker, we are aware of the consequences of the ruling of the Federal Court of Appeal and we are waiting for the Supreme Court decision before taking any action. It is obvious that radical changes will take place in the administration of my department if the Supreme Court upholds the decision of the Federal Court of Appeal.

* * *

[*English*]

EXTERNAL AFFAIRS

EXTENSION BY MASSACHUSETTS OF FISH PROTECTION AND POLLUTION BOUNDARY 200 MILES SEAWARD—CANADIAN POSITION

Mr. Walter C. Carter (St. John's West): My question is to the Secretary of State for External Affairs. Has the government studied legislation approved by the State of Massachusetts to move their fishing protection boundaries 200 miles eastward, as promised by the minister on November 25? Can the minister say what indication this action will have on Canada?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As I said in reply to the question at the time, Mr. Speaker, we are asking the United States state department what they think about this. We have not yet had a reply.

FISHERIES TREATY WITH NORWAY—REQUEST FOR TABLING

Mr. John Lundrigan (Gander-Twillingate): My question is to the Minister of Fisheries. It is related to the previous question asked by the hon. member for St. John's West. Can the minister say whether on July 15 the federal gov-

ernment signed a treaty with Norway regarding the sealing operation on the Atlantic coast, and whether that treaty enables Norway to harvest our marine resources up to within three miles of our coast, thereby violating our territorial seas? Will the minister table that document, and when?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, an agreement has been under negotiation with Norway relative to the phasing out of Norwegian fishing operations in Canada's fishing waters. Ratification of that agreement by Norway is now in process. The question as to when it might be tabled might better be addressed to the Secretary of State for External Affairs.

Mr. Lundrigan: I rise on a point of order, Mr. Speaker. I have been waiting three days to ask this question. The minister should answer it. Was a treaty signed between the two countries and does the treaty permit Norway to harvest marine resources within three miles of Canada's coast?

Hon. Mitchell Sharp (Secretary of State for External Affairs): As the Minister of Fisheries has said, Mr. Speaker, we have negotiated an agreement with Norway. It is not usual to publish such an agreement until it has been ratified. It is my understanding that the Norwegians have now released the text, and I will be happy to table it.

Mr. Lundrigan: When?

* * *

GOVERNMENT ADMINISTRATION

ALLEGED PURCHASE OF TROPICAL PLANTS FOR DEPARTMENT OF ENVIRONMENT BUILDING IN HULL

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the President of the Treasury Board. It is similar to a question asked yesterday about tropical plants. Will the minister investigate another report that nearly $40,000 worth of tropical plants were purchased for the Department of the Environment building in Hull and perished due to inadequate heating facilities?

Some hon. Members: Shame.

Hon. C. M. Drury (President of the Treasury Board): I will be glad to investigate that, Mr. Speaker.

Some hon. Members: Shame.

Mr. Speaker: Order, please. We are running short of time. Perhaps the matter of tropical plants ought to be pursued tomorrow.

* * *

WAR MEASURES ACT

CHANGES SUGGESTED BY QUEBEC MINISTER OF JUSTICE—POSITION OF FEDERAL GOVERNMENT

Mr. David MacDonald (Egmont): My question is for another flower on the government side, the Minister of Justice.

An hon. Member: He is a wilted lily.

Mr. MacDonald (Egmont): In view of a recent speech by the Quebec minister of justice, Mr. Choquette, in which he recommended three extensive changes to the War Measures Act having to do with the referral to the Supreme Court, the establishment of an ombudsman and a human rights tribunal, has the federal Minister of Justice conferred with the Quebec minister on these recommendations and are these recommendations presently under consideration for legislation, either later this session or in the next session?

Hon. John N. Turner (Minister of Justice): No, Mr. Speaker. There is an order of the House calling for a referral of this matter to a committee of the House.

Mr. MacDonald (Egmont): A supplementary question. The minister said "no". Does he mean no, there has been no communication with the provincial minister on his suggestions, or no to the fact there is no legislation beyond that which is presently on the Order Paper?

Mr. Turner (Ottawa-Carleton): I meant no globally, Mr. Speaker.

* * *

TRANSPORT

GREAT SLAVE LAKE RAILROAD—INQUIRY AS TO REPORT ON INVESTIGATION INTO LOSSES BY CONTRACTORS

Mr. J. H. Horner (Crowfoot): I wish to direct a question to the Minister of Transport. Has the minister received any report from the judge in Manitoba who is conducting the inquiry into the losses by contractors of the Great Slave Lake railroad? Has he received any report from the judge conducting that inquiry?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I was advised at lunch hour today that the report is complete and the judge in question will be forwarding it to me within a matter of days.

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BROADCASTING

QUEBEC CABLEVISION LEGISLATION—ALLEGED REQUEST OF QUEBEC MINISTER TO DISCUSS JURISDICTION

Mr. J. P. Nowlan (Annapolis Valley): My question may be related to that asked by the hon. member for Egmont. However, I want to ask it separately. Your Honour will be happy to know I am not going to ask the Secretary of State about the state of naïvety of the Quebec Provincial Police. My question may have something to do with naïvety. Has the Secretary of State, who is responsible for the CRTC, received repeated requests from the Quebec minister of communications to meet with him to discuss jurisdiction over cablevision? If so, has he replied to them and, if not, why not?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the Federal Minister of Communications (Mr. Stanbury)

and myself have held meetings with the Quebec Minister of Communications; the latter came here once and in answer to his invitation we went to Quebec two or three times.

[*English*]

QUEBEC CABLEVISION LEGISLATION—ALLEGED INTENTION OF QUEBEC TO ISSUE LICENCES

Mr. J.P. Nowlan (Annapolis Valley): A supplementary question. In view of that rather equivocal answer and the fact that the minister may or may not have answered the question directly, I ask the minister if he is aware of the provisions of bill 35 in the province of Quebec and, more particularly, has he been personally advised by the communications minister that the province of Quebec intends to legislate or regulate the issuance of licences for cablevision provincially and ignore the CRTC?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, provisions in Bill 35 or in the Quebec green paper are self-explanatory. As to what the Quebec minister of Communications has told me in this regard, it concerned meetings about which we had, by common agreement, decided to make no public statement.

• (4:20 p.m.)

QUEBEC CABLEVISION LEGISLATION—STATUS OF NEGOTIATIONS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary for the hon. Secretary of State.

As the Minister responsible for Communications in Quebec has given the outline of his bill, can the hon. Secretary of State tell us whether negotiations between Quebec and Ottawa have been completed and if so, when he is to make a statement in order that Quebec may legislate seriously in this matter?

Hon. Gérard Pelletier (Secretary of State): First of all, Mr. Speaker, I do not believe Quebec has been inhibited in legislating, or has been concerned with our negotiations or the stand of the federal government. I can make no statement at all as to what action the government of Quebec will take. In my opinion, I must say, negotiations and exchanges have not been completed.

* * *

[*English*]

SCIENCE

POSSIBLE CREATION OF ORGANIZATION TO FORMULATE POLICY AS SUGGESTED BY OECD

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, my question is to the Minister of State for Science and Technology. Is the government considering creating an organization to formulate policy on general scientific and technological information as suggested by a report from the Organization for Economic Co-operation and Development?

Hon. Alastair Gillespie (Minister of State for Science and Technology): I am sorry, but I did not fully understand the question. Perhaps the hon. member would put it again. There was noise on the other side of the House.

Mr. Ritchie: Is the government considering creating an organization to formulate policy on general scientific and technological information, as suggested by a report from the O.E.C.D.?

Mr. Gillespie: I do not know whether the hon. member is referring to an old report of the O.E.C.D. which suggested the formation of a ministry of state for science and technology.

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PRIVILEGE

MR. WOOLLIAMS—REFERENCE TO STATEMENT BY PRESIDENT OF PRIVY COUNCIL

Mr. Eldon M. Woolliams (Calgary North): With reference to a question of privilege I raised earlier today, Mr. Speaker, the Standing Committee on Justice and Legal Affairs met at 3.30 and I see we have just finished the question period. Since I raised this question, I should like to read a short excerpt from *Hansard* for September 14, 1971. I put the following question to the leader of the House:

> Mr. Speaker, may I direct a question to the government House leader in reference to the business of the House during the Income Tax debate? Has he given serious consideration to seeing that none of the standing committees of the House sit during the tax debate because of the difficulty and complexity of the bill that is under consideration and which will be considered further in the Committee of the Whole House?

The answer by the leader of the House was as follows:

> Mr. Speaker, it is my intention to ensure that while the Committee of the Whole is sitting and discussing the tax bill no meetings will be scheduled for standing or special committees. That is the general policy that I hope will be followed. There may have to be an emergency committee meeting, but that is not planned. I hope that committees will meet in the mornings and that we will have the rest of the day for the bill.

In no way has any emergency arisen with regard to Bill S-9 or the other business before several committees. The minister cannot get out of his difficulty by way of that loophole. Knowing the leader of the House, I believe he will be the first to stand up and say he gave the undertaking which has been quoted. What has happened may not have been his fault, but the way in which these committee meetings have been scheduled has imposed heavy burdens on those who are trying both to attend committees and take part in the debate on the tax bill, particularly now that the guillotine, or call it what you will, has fallen and the hon. gentleman is ending the debate. So much for the undertaking given on September 14.

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (President of the Privy Council): I thank the hon. member for reading that statement. I think I have carried out that undertaking. It has only been in the case of the Miscellaneous Estimates Committee,—

Mr. Horner: And the Justice Committee which is meeting right now.

An hon. Member: And other committees, too.

Mr. MacEachen: —which is operating under a special time deadline, that in order to give an opportunity to the committee to do its work I agreed that it might meet in the afternoon. In the case of a meeting this afternoon, the chairman represented to me that it was vital to hold a meeting today.

Mr. Nowlan: That is not correct.

Mr. MacEachen: That is the representation which was received. I shall continue to curtail, as far as possible, the meetings of standing committees while this tax bill is in Committee of the Whole. I disagree with the conclusion reached by the hon. member. I believe I carried out that undertaking.

Mr. Speaker: And that, of course, is a matter for debate between hon. members. Perhaps House leaders might discuss the question among themselves at the first opportunity.

[*Translation*]

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Tuesday, November 30, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act—Mr. Benson—Mr. Laniel in the chair.

[*English*]

The Deputy Chairman: Order. In accordance with the statement of the Parliamentary Secretary to the President of the Privy Council, as reported at page 10,032 of *Hansard* for November 30, the committee will now proceed to Clause 2 appearing at page 596.

Shall clause 2 carry?

On clause 2: *Estate Tax Act.*

Mr. Lambert (Edmonton West): The clause reads as follows:

The Estate Tax Act does not apply in the case of the death of any person whose death occurred after 1971.

I hope, Mr. Chairman, to be relatively as brief as that clause is. Since the leader of the House is here, may I preface my observations by expressing the hope that in future we shall get away from the nonsense of one and a half hours on a Wednesday being counted as a debating day. I take strong objection to that. A good deal of the time spent so far today has been taken up by lengthy government statements. I hope that in addition to the nonsense of allocation of time the House will not be restricted by artificial guillotines in the form of time wasted by the government.

With regard to the clause under consideration, we in the official opposition are in favour of it. Nevertheless, one has to look at some of its effects. As I said on second reading and on a number of other occasions, the people of Canada are being saddled with an extra tax as a result of the imposition of the capital gains tax. There is no way any government member can defend the imposition of an additional tax. The capital gains tax is incorporated into the income tax schedule and it is a new tax. The estate tax is being eliminated. True enough, in the province of Alberta this will mean there will be no estate tax or succession duty collected; that province will have the new tax.

• (4:30 p.m.)

One may say that a capital gains tax is merely a prepayment of an estate tax. The provinces of Quebec, Ontario and British Columbia at the present time levy their own succession duty, since provinces do not have the constitutional power to levy an estate tax. Succession duty is a direct tax; estate tax is an indirect tax. The net result is that by exercising its constitutional power, the province of Quebec is levying and collecting its own succession duty as is Ontario. Hitherto the federal government levied and collected estate tax, but there was an agreement with the province of Quebec whereby there could be mutual credits. In effect, the heirs of a citizen of Quebec who died, did not pay a double tax, and the same applied to citizens of Ontario and British Columbia.

We are now told that Manitoba and Saskatchewan intend that a succession duty be levied, since there is no way those provinces can get an estate tax. There is no federal-provincial agreement on intercredits or mutual credits in regard to a capital gains tax and a succession duty. Therefore, John Citizen who unfortunately passes away will have his estate subjected to two taxes in the appropriate cases, first the capital gains tax because of the deemed realization on death, and secondly the succession duty of the province in which he lives. Just because he pays a capital gains tax, it does not mean that he will pay any less succession duty. To the extent that he pays capital gains tax, he will be paying more tax. How does this sit with members, particularly those from the province of Quebec? Can they explain to their constituents that they are not paying additional tax as a result of this so-called tax reform?

Mr. Paproski: They do not care about the Canadian taxpayer.

Mr. Horner: They are all Trudeau servants. They do what they are told. They are serfs of the imperialistic Pierre.

Mr. Lambert (Edmonton West): I put the same question to hon. members from Ontario, such as the hon. member for Essex West. Is the former parliamentary secretary over on that side going to take the same attitude on this particular point as he took on the subject of co-ops and credit unions? Is he going to face up to his farmers and say they are not to be taxed an extra amount? He is going to have to admit that. If the government had followed the proposal put forward by the Leader of the Opposition, about which I have spoken many times and outlined in great detail, the federal government and the provinces might have reached an accord in the interval. The problem might, in this way, have been resolved. But this bill is going to come into force on January 1, 1972 come hell or high water, says the government.

Some hon. Members: Shame.

Mr. Lambert (Edmonton West): This is why I find the attitude taken by government backbenchers so incomprehensible. They are supposed to represent their constituents, here in Ottawa and, as well, they represent the people at large. Notwithstanding what the Minister of Finance has said, it is an undeniable fact that the people in those provinces where succession duty applies, or where one is going to come into force, are going to pay an additional tax, a new tax. Not one hon. member opposite can deny that. Certainly, I defy the hon. member for Winnipeg South Centre to gainsay that statement.

Mr. Osler: Mr. Chairman, may I have the floor on a point of order.

The Deputy Chairman: Order, please. The hon. member for Winnipeg South Centre is rising on a point of order.

Mr. Osler: My point of order is this. I was invited to say something, then when I rose in my place I was shouted down. I think the committee was left with the erroneous impression that, (a) I did not know what the people for Winnipeg South Centre wanted and, (b) for some reason they did not want this bill passed. Let me tell the hon. member I have been back to my riding quite often recently and the message that comes through loud and clear is that the people are fed up with the length of time this bill has taken. They want it passed, even though it may not be a perfect bill.

The Deputy Chairman: Order, please. The Chair does not think the hon. member should take advantage of rising on a point of order to make that point. He should seek the floor if he wants to make any comments.

Mr. Lambert (Edmonton West): Mr. Chairman, I was hoping that the hon. member would be moved to make a speech, not to raise a spurious point of order.

Mr. Osler: You should not make statements like that.

Mr. Lambert (Edmonton West): I invite the hon. member to read an editorial which appeared in the Vancouver *Sun* for November 26. It quoted the main point made by the Minister of Finance and reads:

> Mr. Benson's main point is that "the uncertainties of the current economic situation argue against delay".

That is what the hon. member for Winnipeg South Centre said. It continues:

> "We would accomplish nothing by a further unsettling period in anticipation of tax reform," he said. He also argued that his tax bill is incapable of separation into key components because of the "financial inter-relationship" among them".

That is wrong. I have shown how the clauses can be carved up without any difficulty. The editorial continues:

> This is nonsense. Business planners and business advisers have told the minister almost unanimously that they can't understand many of his reforms let alone foresee how they might adjust to them. Members of parliament are even more uncertain about the consequences.

How true that is. Even when we asked the advisers to the parliamentary secretary yesterday, we could not get any answers because they were uncertain.

• (4:40 p.m.)

Mr. Osler: What are you trying to sell?

Mr. Lambert (Edmonton West): Certain government supporters have no idea as to what this legislation will do. They have no idea about these interrelationships.

Mr. Gibson: How does the hon. member know that?

Mr. Lambert (Edmonton West): I would say that the hon. member for Hamilton-Wentworth is possibly one of the most ignorant of the implications of the provisions of this act.

Some hon. Members: Oh, oh!

The Deputy Chairman: Order, please. I think hon. members on both sides of the committee should let the hon. member make his speech and, at the same time, give the Chair a chance to hear what is being said.

Mr. Gibson: The hon. member is being carried away.

Mr. Lambert (Edmonton West): Mr. Chairman, some of the statements hon. members on the other side of the committee make have no more effect than the cawing of crows that sit on the wire fences on the prairies. Be that as it may, may I conclude my remarks—

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): —by saying that although we support this section, we want it clearly understood that there are reservations about it. I hope the hon. member for Ottawa Centre, the former Solicitor General, who applauded when I said I was about to conclude my remarks, will take the time to explain to his constituents the suggestion that there is not to be a new tax for them, that there is to be a credit system between Ottawa and the province of Ontario whereby there can be an intercredit with regard to whatever is paid on capital gains, that is, on the deemed realization on death, and the succession duty that may follow. I know he is a competent solicitor and in his former portfolio must have been familiar with this problem. I am sure he will be able to explain to the satisfaction of his constituents how it is that additional taxes are no longer additional taxes. They are, somehow, to be melted into something else. Now you see them, now you don't. That is the precise effect which the government wants to bring about with regard to the capital gains tax and the continuation of succession duties in the provinces.

[*Translation*]

Mr. Leblanc (Laurier): Mr. Speaker, the hon. member for Edmonton West has made much of the estate tax formerly levied by the federal government, except that in some cases the government handed over the amounts levied to these provinces.

We are talking here in terms of approximately $120 million of which 75 per cent was given back to the provinces. The point raised by the hon. member for Edmonton West has no special merit. On the other hand, I respect him very much for he sat with many of us on the Standing Committee on Finance, Trade and Economic Affairs. He contributed much to the debate and we needed his

enlightened comments from time to time. But I think that in this case, his lights seem to be rather dim.

I must say that faced with a loss of revenue which could amount to $75 or $100 million approximately, some provinces will have to manage without that.

The hon. member for Edmonton West spoke of the province of Quebec, and even attacked us to a certain extent asking us to be brave enough to speak on behalf of our province. I say it again: I am pleased to accept his challenge. I say to him that, if my memory serves me right, there was a Bélanger Commission on taxation. I believe the secretary of that commission was Mr. Robert Bourassa, an economist and lawyer. One of the main recommendations this commission made to the province was that is it should tax capital gains.

Now, basing myself on the report of the Bélanger Commission, whose secretary was Mr. Robert Bourassa who, fortunately for the province of Quebec and Canada as a whole, is now premier of that province, I am convinced that the income Quebec loses can easily be made up by a capital gains tax. I feel that in the near future the Quebec premier will also want to introduce a mini-budget or at least make a few proposals concerning a tax reform in Quebec, a reform which will, in particular, also consider taxing capital to recoup its losses as far as succession duties are concerned. I do not think, however, that those hypothetical expenses could be removed, as suggested by the hon. member for Edmonton West. I have perhaps some information sources which are not available to the hon. member. This can happen. As a result of a possible loss of revenue, namely the succession duties, in order to come to an agreement with the provinces which have not established succession duties and to discourage Canadians from moving to provinces where there are not any to die, I am convinced that the province of Quebec will closely consider that bill to increase its revenue by levying a capital gains tax.

What are the terms of such taxation? I do not know, but I think that our terms are satisfactory. However, it is unnecessary at the present time to discuss how capital gains will be taxed, because the matter has been eloquently stated by the hon. member for Edmonton West. However I think it is a very plausible solution, bearing in mind what has already happened in the province of Quebec.

I was listening very attentively, as usual, to my hon. friend from Edmonton West, who was speaking as though the bill had already been adopted. I am very happy about that. I believe, of course, that the bill will be adopted shortly. I am happy to see that he talks about it as if it were already law. It will come into force on January 1, 1972. I am very happy about this.

Mr. Lambert (Edmonton West): Yes, after resorting to closure!

[*English*]

Mr. Saltsman: Mr. Chairman, although many sections in this bill seemed to have been introduced in a fit of absent-mindedness and, sometimes, in a spirit of expediency on the part of the government, the particular section dealing with estate taxes seems to be introduced in a fit of pique. It seems that, the government became angry with the provinces because the provinces were not agreeing with every suggestion the federal government was making and that it said to the provinces, "We are not getting much money out of estate taxes, the heck with it. Collect your own. We are out of it." I suggest that that was a most irresponsible act on the part of the federal government, particularly since in many areas of federal and provincial jurisdiction there is friction. We ought to make every effort to co-operate, and we should not bring about confrontations such as this particular section of the bill may do.

I listened to arguments about capital gains taxes versus estate taxes, and some hon. members spoke in a way that suggested you could trade off one tax against the other.

Mr. Horner: That is what the minister suggested.

Mr. Saltsman: I find it difficult to believe everything I hear. I do not know how much hon. members who suggest that one tax may be a trade-off against another know about taxation. How do they think taxes are raised? Do they think that you raise taxes from people who have no money, from the poor, or do you raise them according to ability to pay, and therefore from those who have sizeable incomes. There is no other way. One is not a substitute for the other.

• (4:50 p.m.)

The fallacy of the argument is suggested in another way. While it may be true that some estates do have capital appreciation and might be subject to capital gains in the course of the years as the estate progresses or even upon realization of death, many estates have no capital appreciation. The capital gains tax, therefore, does not apply to those estates and we have handed them a large bonus. They will not be paying a capital gains tax and now they will not pay an estate tax, either. This whole thing from any point of equity is incomprehensible to me. We have to ask why this section was introduced and why Parliament is being asked to abolish estate taxes.

Just a little while ago we made a number of changes in the legislation which I think went a good distance in meeting some of the representations about estate taxation in Canada. For instance, we exempted the widow or widower survivor from particular taxes. We enlarged the provisions to enable surviving children to be granted major exemptions, particularly minor children. It looked as if we were moving in the right direction in respect of estate taxation. Even with this legislation, there would be an absolute limit concerning the amount of money any estate would pay. In many cases, our estate tax legislation was far more lenient than that of most countries of the world. Why then has the government apparently thought it is necessary to abolish the estate tax completely, if not as a way to retaliate against the provinces and then say in a very piqued way that it will collect the money for them. This is a continuation of the system of taxation anarchy we had hoped to avoid.

Now, the government says that it is putting the provinces in a very difficult position and that if four of them agree maybe something can be worked out. We have a situation where the provinces are trying to get the federal government to find some method to assist them in the collection of estate taxes. While it is true that estate taxes do not represent a large proportion of the federal govern-

ment's revenue, in the case of some provinces it represents a sizeable income for them which they can least do without. It is incomprehensible, when we are talking about more sharing between provinces and when there is a need for some sense of accommodation between one province and another, that we would deliberately make it possible for one province to have a better deal than another province. Presumably, national advertising campaigns will be conducted pointing out the glories of dying in Alberta in contrast to dying in Manitoba or in British Columbia. It is an insane program. In my view it is not something this House should countenance.

The Carter Commission looked into this aspect of taxation and made what in my view and in the view of my party was a very reasonable and sensible proposal. They said the tax should be borne by the recipient and not by the estate, and should be paid for at the marginal rate of the person who receives the benefit from the estate. A very wealthy man receiving another considerable or sizeable estate would pay a higher rate than the person who was not wealthy and received an estate. This would seem to be the fair way. Again, there is a maximum of something like 50 per cent on that. There are two ways to look at an inheritance. Some people, I suppose, would say if they were left $1 million it should not be taxable. Others might say they should have to pay $500,000 in taxes and receive an amount of $500,000. Another person might say, "Isn't it wonderful, I received $500,000".

Now, you can always make an argument for a person who has earned the money directly himself because he would say he should have some enjoyment of the money he acquired primarily through his intelligence, his perseverance or whatever it might be. I believe he has a fair claim. It is a claim which must be listened to. But how strong is the claim of a person who did not contribute to the formation of the estate when he says he does not want to pay any tax on it. What claim does a person like that have? Certain people have claims. Farmers' sons, for instance, have some claim because I know that very often sons of farmers contribute to the establishment of the estate. Therefore, my party is quite agreeable to seeing special provisions brought into the estate legislation that would recognize the claim of a farmer's son.

I think the wife of a person who has acquired an estate also has some claim, because even Carter has pointed out that very often the estate is built up, not through the work of the male head of the household alone but also through the contribution of the wife. We realize the validity of that claim that the wife should be exempt from taxation during her lifetime in respect of the inheritance. Then, there are the claims of those who often are not even immediate members of the family and who may be removed by considerable distance from the family itself so far as blood relationship is concerned. What claim do these people have that they should not pay their fair share of taxes on the wealth they inherit? In my view, they have very little claim and I find it very difficult to sympathize with people who do not wish to pay a share of the taxes that I think are due to society.

There is another factor in this argument which I believe is important. Society, in my view, has a claim on estates. In the modern world, very few fortunes are built up just through the personal work of the individual. Many fortunes are acquired because of the social structure of our society and because of the protection our society affords to entrepreneurs through education, markets and many other things. Therefore the wealth created in our society is not created by an individual alone but by all the things in our society which assist him. A person who wants to live by himself in the jungle, and who can make $1 million selling coconuts to himself may say he is entitled to all the money he can make selling coconuts to himself, but that is not the way things are in Canada or in any other modern civilization. Therefore we think this section is a great mistake. It is a mistake in the sense that before long Parliament will have to consider alternative legislation in order to avoid a war between provinces, a war which most provinces would not want, in the field of inheritance taxation and related items of that kind. We will regret the passage of this particular section and we will regret that there was not sufficient foresight on the government benches to anticipate the problems which arise from the abolition of estate taxes in this country.

[Mr. Saltsman.]

Mr. McGrath: Mr. Chairman, I listened with interest to the speech of the hon. member for Edmonton West who has done such an outstanding job on this bill. I must say that as I listened to him I obtained a greater appreciation of the importance of this legislation to the Members of this House. Because I believe the bill is important, and because I feel members of the House should be here to hear this debate I move:

That the committee now rise, report progress and seek leave to sit again.

Some hon. Members: Hear, hear!

• (5:00 p.m.)

Some hon. Members: Oh, oh!

An hon. Member: Order.

Some hon. Members: Out.

The Assistant Deputy Chairman: Order.

Some hon. Members: Out.

The Assistant Deputy Chairman: Order, please. I think hon. members know the rules. The motion has not been put as yet. I have not read it. The minister wishes to rise on a point of order.

Mr. Lambert (Edmonton West): He is not rising on a point of order.

Mr. Gray: How do you know? I have not stated it yet.

Mr. Bell: Put the motion, Mr. Chairman.

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order.

Mr. Bell: Put the motion.

Mr. McGrath: This is disgraceful conduct on your part, Mr. Chairman.

The Assistant Deputy Chairman: I recognized the minister on a point of order.

Mr. Bell: You cannot do that.

Mr. McGrath: Put the motion.

Mr. Paproski: Put the motion. The motion comes first.

Mr. Baldwin: I rise on a question of privilege, Mr. Chairman. The motion for adjournment has been made. It must be put forthwith. There can be no debate, no point of order, no discussion.

Mr. Gray: I would like to speak, Mr. Chairman.

Some hon. Members: Order.

Some hon. Members: Shame.

Mr. Gray: Mr. Chairman—

Some hon. Members: Order.

The Assistant Deputy Chairman: Order.

Mr. Bell: You must put the motion. You have been waiting 15 minutes to put the motion.

The Assistant Deputy Chairman: Yes, order.

Mr. McGrath: I rise on a question of privilege, Mr. Chairman.

The Assistant Deputy Chairman: Will you resume your seat. I recognized the minister on a point of order.

Mr. McGrath: You cannot. I rise on a question of privilege, Mr. Chairman.

Mr. Lambert (Edmonton West): Question.

The Assistant Deputy Chairman: Order, please. The hon. member for St. John's East moved that the committee rise, report progress and ask for leave to sit again.

Some hon. Members: Carried.

The Assistant Deputy Chairman: Is the committee ready for the question? All those in favour of the motion.

Mr. Bell: Gibson, out. You were not here all the time.

Some hon. Members: Deachman, out.

The Assistant Deputy Chairman: Order.

Mr. Bell: The Liberal whip just came in. Out.

Some hon. Members: Order.

The Assistant Deputy Chairman: All those against the motion?

Mr. Bell: This is phony. They cannot come in.

The Assistant Deputy Chairman: Those against the motion please rise.

Mr. Bell: Oh, no. This is a farce.

Mr. McGrath: To hell with this. This is disgraceful.

Mr. Crouse: The Chairman should resign.

The Assistant Deputy Chairman: Will all hon. members resume their seats, please.

Mr. Lambert (Edmonton West): Out you go.

Mr. Bell: Rotten.

The Assistant Deputy Chairman: Will hon. members resume their seats.

Some hon. Members: Resign. Leave the chair.

The Assistant Deputy Chairman: Standing Order 12(2) reads:

When Mr. Speaker is putting a question, no member shall enter, walk out of or across the House, or make any noise or disturbance.

Mr. Bell: They must leave.

An hon. Member: Put the motion.

The Assistant Deputy Chairman: I read the rule so that if any hon. member has not followed the rule he will remember that.

Mr. Lambert (Edmonton West): Deachman, out.

Mr. Bell: The Liberal whip sneaked in. Leaky Dick sneaked in.

The Assistant Deputy Chairman: All the hon. members who heard me read the rule, will please take note. All hon. members opposed to the motion, please rise.

Some hon. Members: Oh, oh.

Mr. Bell: That is rotten. It is a sham.

Some hon. Members: Shame.

An hon. Member: How can you do it?

Mr. Horner: They did not win on the first count so they want to win on the second. How rotten can you get.

Mr. Côté: Come on, now.

Mr. Crouse: The House leader was not in the House when the vote was called. He has no right to vote.

• (5:10 p.m.)

The Assistant Deputy Chairman: Order, please. Will everyone resume their seats, please?

Motion (Mr. McGrath) agreed to: Yeas, 44; Nays, 42.

Progress reported.

Mr. Baldwin: Mr. Speaker, I rise at this time on a question of privilege. During the course of the vote that was just taken there were one, two, three, four, five, six, seven, eight, nine members on the government side who came into the chamber and participated in the vote after the question had been put. I will discuss this further. There will probably be other proceedings taken in respect of it, but I thought it was my duty at this first opportunity to put the matter before the House.

Mr. Horner: Mr. Speaker, I rise on the same point of privilege dealing with the procedure during the taking of the vote. I know that the Assistant Deputy Chairman was caught in a very embarrassing position and I hold no animosity towards him for the way in which he attempted to clarify the wishes of the House, but I want to point out to Your Honour that on the occasion of the vote just taken the government side was counted twice, with quite an

interval between the counts, while those upholding the motion on this side of the House were only counted once. It may well have been although I did not notice it, that members came into our ranks too during that interval.

Some hon. Members: No.

Mr. Horner: I am assured by my colleagues that there were none, but still the principle is the same, that only one count for each side should be taken. There should not be a second count taken on the other side if there are not enough members there in the first instance. I cannot help but rise at the first opportunity to raise this point of privilege because this may be establishing a precedent which will not augur well for democracy in the years ahead.

Mr. Otto: On the point of privilege, Mr. Speaker, the hon. member for Crowfoot (Mr. Horner) has put forward a position which you might take into consideration, and if the counting of the heads was not proper then of course the count should be nullified.

Mr. Crouse: You are the rottenest one of the lot over there.

Mr. McGrath: Mr. Speaker, I merely rise on a point of order to point out to Your Honour that in contravention of Standing Order 12(2) hon. members walked into this House while the vote was being taken.

Mr. Jerome: On both sides.

Mr. Speaker: Order, please. May we have order, please. The point has been made by the hon. member for Peace River, and other hon. members, who indicate that in their view there was an irregularity in connection with the vote taken in committee. The matter can be looked into, but there is really nothing before the House now. I am wondering what order of business should be identified.

Mr. MacEachen: Mr. Speaker, I do not want to refer to what happened in the committee—

Mr. Crouse: You can't because you were not even here. You sneaked in. That is why you cannot speak.

Mr. Speaker: May we have order, please.

Mr. MacEachen: Mr. Speaker, I am—

Mr. Horner: On a point of order, Mr. Speaker, if the hon. member would take his right seat he could then address the House.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I note that we have solved that problem, that one point which is well taken.

Mr. MacEachen: Mr. Speaker, I agree with the hon. member and I thank him for drawing this to my attention. My seat had been occupied by another person. That is why I was not in it.

In view of the fact that it is 5.20, Mr. Speaker, and that it would not be appropriate to call another item of business, I would move that the House adjourn until tomorrow at the regular time of sitting.

Mr. Speaker: Order, please. Is the minister making a formal motion, with a seconder?

Mr. Knowles (Winnipeg North Centre): I second it.

Mr. Speaker: Mr. MacEachen, seconded by Mr. Knowles (Winnipeg North Centre), moves that the House do now adjourn. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

On motion of Mr. MacEachen the House adjourned at 5.19 p.m.

HOUSE OF COMMONS

Thursday, December 2, 1971

The House met at 2 p.m.

PRIVILEGE

MR. BALDWIN—CONDUCT OF MEMBERS DURING PUTTING OF QUESTION IN COMMITTEE OF THE WHOLE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege of which I gave oral notice yesterday afternoon and which I have supplemented by a written notice today. My question of privilege deals with the conduct of hon. members yesterday in committee of the whole, contrary to the provisions of Standing Order 12(2) which was read at the time, which I am sure Your Honour knows by heart and which I suggest some hon. members should learn by heart. Standing Order 12(2) provides:

When Mr. Speaker is putting a question, no member shall enter, walk out of or across the House, or make any noise or disturbance.

By STanding Order 55(1) that provision, of course, is made applicable to the conduct of hon. members in Committee of the Whole House.

There have been some varying interpretations of that rule, but I have been here—some would say too long—almost 14 years and as I have seen that rule interpreted it has been one of the rules most scrupulously respected both by the Chair and by hon. members. In other words, there can be no movement into or out of the House or the committee from the time Mr. Speaker or the Chairman puts the question. If that were not the case there would only be anarchy, particularly when you have a situation with a majority on one side of the House and groups constituting a minority on the other side. If there were not a fixed time at which the votes can be taken on all those important issues that effect this country, chaos would descend upon this House.

I shall not attempt to argue the rule, Mr. Speaker; it is there and, as I say, has been applied without any qualification. It was breached yesterday and breached to a substantial degree. I have been informed that there were some eight or nine hon. members—eight Liberal members specifically—on the other side of the House who entered the committee contrary to the provisions of the Standing Order.

It has also been said that there may have been a member enter on this side.

Some hon. Members: Oh, oh!

Mr. Baldwin: It has been said that there may have been a breach of the rules in other respects on this side of the House. But I submit, Mr. Speaker, that when there has been an injustice, an inequity, suffered it is logical for members to protest. It may well be that in the heat of the debate, and in light of the circumstances that existed yesterday, their protest was not as tempered as might have been desirable. In the grey light of day following the events of yesterday, it is easy to say that we wish we had not done what we did, but the extreme provocation offered hon. members on this side of the House would, in my humble opinion, have justified an even greater degree of protest than what took place yesterday.

We have been discussing a difficult and lengthy bill and have not had the benefit of the presence of the minister in the committee to answer questions. Yesterday we had a situation where the government saw fit to impose closure. That is their right, of course, and since we will be debating this later I shall not refer to it now. Following upon that the hon. member for Calgary North (Mr. Woolliams) called the attention of the government House leader to what he felt was a fairly firm undertaking regarding the establishment and continuation of committee meetings while the tax bill was being considered in Committee of the whole. A little later when, pursuant to our right, we called for a vote in the committee there was an unruly and disorderly situation because a number of government members entered the committee and were present for and took part in the vote. I know of at least one on the other side who, having entered, did not vote—there may have been others who acted likewise—and I give him credit for that.

In any event, no matter what may have taken place on this side of the House the situation cannot be condoned that we witnessed in this chamber yesterday afternoon as a result of government members entering the committee and trying to participate in the vote. A government that has 150 members and is caught short with only 30 members in the House right after having imposed closure has no right under those conditions—indeed, it has no right under any conditions—to take an action that is nothing short of scandalous.

Some hon. Members: Hear, hear!

Mr. Baldwin: I am not going to move a motion, Mr. Speaker, but I would have been derelict in my duty, with the limited responsibilities that I bear, if I had not brought this matter to the attention of the Chair and of the House.

Mr. Speaker: Order, please. Would the hon. member kindly resume his seat. The hon. member for Peace River did give the Chair notice of the question of privilege that he intended to bring to the attention of the House at this time and, as he might suspect, I have given the whole matter very serious consideration in the meantime. This is a situation that has worried me a great deal. Obviously—I should not say "obviously" because the word may be too strong—apparently there were irregularities in the voting yesterday. I would want, with charity to hope that none of these irregularities were committed without malice aforethought.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Deliberately.

Mr. Speaker: Perhaps hon. members are not as charitable as I am.

Some hon. Members: Hear, hear!

Mr. Speaker: Certainly I think we must take into account the fact that the hon. member for Peace River has brought this situation to the attention of the House and the Chair. It is always a very touchy and delicate situation when the Chairman of the Committee of the Whole—a position I occupied for a few years so I know how difficult it is when the question has to be put by the Chair—has to try to convince hon. members who were behind the curtains or in the lobby or who perhaps came down from their offices that they ought not to come into the chamber, that they have no right to enter and should not stand or move about the chamber during a vote.

This principle, as the hon. member for Peace River emphasized very well, has been recognized for a long time. I would therefore hope that the incident which took place yesterday and which we all deplore will remind us that we should not forget the provisions of the Standing order when the House is in Committee of the Whole.

• (2:10 p.m.)

The hon. member for Richelieu is rising on a question of privilege.

[*Translation*]

Mr. Florian Côté (Richelieu): Mr. Speaker, I rise on a question of privilege.

I know that the question of privilege of the hon. member for Peace River is not debatable, but I cannot ignore certain assertions. In fact, I have counted—I declare this on my oath of office—six members who entered from the other side of the House.

[*English*]

Mr. Nowlan: You are lying.

Mr. McGrath: That's a lie.

Some hon. Members: Liar.

[*Translation*]

Mr. Speaker: Order. If the hon. member has a question of privilege, he should have given notice of it to the Chair, as did the hon. member for Peace River. It is as simple as that.

[*English*]

Mr. McGrath: I rise on a point of order, Mr. Speaker. I think it is incumbent upon the hon. member who just raised the question of privilege to name the hon. members on this side of the House.

Some hon. Members: Hear, hear!

An hon. Member: Name them.

Mr. Speaker: Order, please.

Mr. Nowlan: Get up, you liar.

Mr. Speaker: May we have order, please. The hon. member thought he had a question of privilege. I suggested to him that he did not. He is welcome to so think, but I really do not think he has a question of privilege. That is the ruling I made a moment ago.

[Mr. Lambert (Edmonton West).]

Mr. Nowlan: I rise on the question of privilege. I was in the House yesterday when the events that have been described happened. There was one member who came in at a certain stage, the member in front of me, the hon. member for—

Some hon. Members: Oh, oh!

An hon. Member: Red Deer.

Mr. Nowlan: The hon. member for Red Deer (Mr. Thompson). He came in and left. He did not participate in the vote. He entered the chamber when the vote was being called on the other side. I ask the hon. member to name the six members who came in while this was happening. If he does not do this, Mr. Speaker, we on this side who did vote all have a point of privilege that has to be clarified.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I really do not think the hon. member who raised this question of privilege had any justification for doing so. The matter was raised by the hon. member for Peace River (Mr. Baldwin). There was no motion proposed. Obviously his intention was to bring to the attention of the Chair and the House the difficulties with which we were faced yesterday. He has done so and I really do not think there is any further action that should be taken by the Chair at this point.

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

MISCELLANEOUS ESTIMATES

Seventh report of the Standing Committee on Miscellaneous Estimates—Mr. Fernand-E. Leblanc (Laurier).

JUSTICE AND LEGAL AFFAIRS

Tenth report of the Standing Committee on Justice and Legal Affairs—Mr. Paul-M. Gervais (Sherbrooke).

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

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[*English*]

BUSINESS OF THE HOUSE

TIME ALLOCATION MOTION FOR COMMITTEE OF THE WHOLE STAGE ON INCOME TAX BILL

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, pursuant to Standing Order 75C I should like to move a motion in the following terms, seconded by the Minister of National Defence (Mr. Macdonald).

Some hon. Members: Oh, oh!

Mr. McGrath: You are the father; it is your illegitimate child.

Mr. MacEachen: I assure you, Mr. Speaker, there was considerable competition for the privilege of seconding this motion, but finally I decided I would give the honour to the Minister of National Defence. I move, seconded by the minister:

That, in relation to Bill C-259, an act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, four sitting days shall be allotted to the further consideration in Committee of the Whole stage of the said bill:

That, on the fourth of the said days, at fifteen minutes before the expiry of the time provided for government business in such sitting, any proceeding before the committee shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of the Committee of the Whole stage to the said bill, shall be put forthwith and successively, without further debate or amendment.

He said: Mr. Speaker, in beginning my short comments on this motion I should like to begin by saying that the subject matter of the bill has been in the public domain for quite a long time. The subject matter has been extensively discussed in Canada over a long period of time. The right. hon. member for Prince Albert (Mr. Diefenbaker), when he was Prime Minister of this country, established the Carter Commission to inquire into and investigate the taxation system in Canada and that commission spent a period of five years hearing representations from all groups in the community. The report was not completed during the right hon. gentleman's period of leadership but it was presented to the former government. Subsequently, in November, 1969, a white paper was presented by the Minister of Finance (Mr. Benson). The white paper was examined by a committee in this House and by a committee in the other place. I believe the work of the standing committee of the House of Commons on this white paper, aided by expert staff, was outstanding. Their report was presented to the House and many of the recommendations were incorporated into the present bill. So it is not correct to suggest that the subject matter of the bill was suddenly plucked out of the air and presented to this House without much advance consideration in the public domain.

The second point I want to make is that the tax bill itself was unveiled to the House of Commons last June and the main points of the tax bill were elaborated in the budget speech of the Minister of Finance and in that six-day debate many of the principles of the amending bill were discussed. In addition, the bill itself was put before the House of Commons and in order to give the chamber and the country an opportunity to consider the bill. The House was adjourned for a period of two months and was recalled in September for the principal purpose of examining the bill that is now under discussion.

• (2:20 p.m.)

I think it is clear to hon. members that in the House itself the bill has had extensive discussion. Hon. members may argue that it should have more discussion, and there may be differences of opinion on that point, but nobody can honestly argue that the bill has not had a very extensive exposure in the House of Commons. There were 12 days of debate on second reading of the bill, quite a long time but not excessive in terms of the importance and complexity of the bill, and yesterday we completed the 27th day of consideration in the Committee of the Whole House. So we have now had almost 40 days, almost eight solid weeks of parliamentary time, devoted to the consideration of the bill now before the House.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Nonsense!

Mr. Nowlan: How many more amendments? How many more pounds?

Mr. MacEachen: Hon. members opposite will have an opportunity to put their case and I will give them a full hearing. I would like the same privilege from hon. members opposite.

Some hon. Members: Hear, hear!

Mr. Crouse: You do not know the meaning of your own words.

Mr. MacEachen: Those who are objecting to what they describe as a muzzling of Parliament seem ready to muzzle me as I am attempting to lay the case before the House.

Some hon. Members: Hear, hear!

Mr. MacEachen: I want to mention also that before we began consideration of the bill in committee and as the bill was being examined in committee the House leaders of all parties, joined by the hon. member for Edmonton West, met very frequently to discuss the evolution of the discussion in the House of Commons. It was because of the considerable attention given at those meetings to the bill that we were able, in Committee of the Whole, to proceed in an orderly way to move from one major subject area of the bill to another. At the beginning I had proposed a different procedure, but I accepted what I thought was a better procedure suggested at the House leaders' meetings. We completed just a few days ago, in accordance with the arrangements reached, consideration of every major subject area that had been designated at those meetings as worthy of discussion. We completed that process several days ago. It is true that we did not carry all the sections related to those subject areas, but we did discuss the issues involved.

We have attempted to maintain a flexible attitude toward the bill. We have listened to the representations made in the country and in the committee with respect, for example, to the taxation of co-operatives and credit unions. I am happy to state that when we go into the committee we will be moving a series of major amendments—

Some hon. Members: Oh, oh!

Mr. MacEachen: —which will assist the situation for the co-operatives and credit unions.

Some hon. Members: Hear, hear!

An hon. Member: You finally saw the light.

Mr. Paproski: You won't have to resign, then.

Mr. MacEachen: The full details of these amendments will be disclosed in the committee, but let me say that the concept of capital employed will be removed and it will be replaced—

Some hon. Members: Hear, hear!

Mr. MacEachen: —by a withholding tax system that will be fully satisfactory to the co-operatives. A similar amendment will be made with respect to the credit unions.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I see you rising to your feet. I just have one more sentence, if I may finish.

Mr. Speaker: Order, please. The minister's time has expired.

Mr. Nowlan: It sure has.

Mr. Stanfield: Mr. Speaker, I think the minister said he had one more sentence. He did have heavy going for a while and perhaps he might be allowed to finish.

Mr. Speaker: Has the minister leave of the House to finish?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I am in the hands of the House. I intended to conclude with a ringing call to the House to reach a decision on this bill, but I do want to say one simple thing. In my opinion, in light of the background of the discussion that has taken place on this bill and the great amount of time in committee and on second reading, it is now appropriate for the government to take its responsibility to permit the House to take its responsibility in reaching a decision on the bill. To do otherwise, it seems to me, is to lend credence to the point of view so frequently stated in Canada today that the House of Commons is an anachronistic institution and is incapable of acting effectively and decisively on the major problems facing the country.

Some hon. Members: Oh, oh!

Mr. Speaker: Before calling on the Leader of the Opposition I think I should put the motion, now that the minister has completed his remarks. Mr. MacEachen, seconded by Mr. Macdonald (Rosedale) moves:

That, in relation to Bill C-259, an act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, four sitting days shall be allotted to the further consideration in Committee of the Whole stage of the said bill;

That, on the fourth of the said days, at fifteen minutes before the expiry of the time provided for government business in such sitting, any proceeding before the committee shall be interrupted, if required, for the purpose of this order and, in turn, every question then necessary in order to dispose of the Committee of the Whole stage to the said bill, shall be put forthwith and successively, without further debate or amendment.

Hon. Robert Stanfield (Leader of the Opposition): Mr. Speaker, I agreed to the government House leader continuing for a minute or two because I wanted to see if he could make a case for what he is proposing to do, since he had not made it up to that time.

[Mr. Paproski.]

Some hon. Members: Hear, hear!

Mr. Stanfield: This is the most complex bill ever to appear in this Parliament. I say that with great confidence, Mr. Speaker. It is some 707 pages in length. The minister spoke of it having been introduced last spring, when he was referring to the lengthy consideration that it has had. The bill was not distributed to our principal financial critic until two or three days before the House reconvened, and the rest of us did not receive a printed copy of the bill until after the House had resumed. I am not suggesting that the government House leader deliberately misled the House, but I am saying that apparently he is not fully aware of when in fact the bill was distributed, and he has perhaps unintentionally vastly exaggerated the length of time that members have had to study and consider the bill.

Mr. Lambert (Edmonton West): And the public.

• (2:30 p.m.)

Mr. Stanfield: That is point No. 1, Mr. Speaker. It is not merely that the government House leader does not know what is in the bill but obviously he does not know how long it has been available to members of this House to consider.

Some hon. Members: Hear, hear!

Mr. Stanfield: It is intricate legislation and it affects everybody in the country. He says that the subject matter has been discussed for months and indeed years. Not the subject matter of this bill, Mr. Speaker. Tax experts whom I know spent the whole summer doing nothing else but trying to understand this bill and then came to the conclusion that they could not understand it. There are a few people who claim to understand this bill but they are—

Mr. Davis: Where did they get it?

Some hon. Members: Oh, oh!

Mr. Stanfield: Just one minute, Mr. Speaker. I am not talking about when the bill was printed; I am talking about when the bill was distributed. The bill was not distributed to members of this House until the House reconvened. The Prime Minister (Mr. Trudeau) can smile all he likes.

Some hon. Members: Hear, hear!

An hon. Member: That is a smirk!

An hon. Member: It is a petulant smirk!

Mr. Stanfield: There is only one thing that is clear. If this bill is passed in its present form, anyone engaged in any kind of active life in this country will need a tax expert at his elbow all the time.

Not only is the bill 707 pages in length, Mr. Speaker, but 97 amendments were introduced on October 22, 28 amendments were introduced on October 29, eight amendments were introduced on November 16, and some of those were amendments to previous amendments. Now we are getting more and more amendments and we will have many more before many months have passed.

Sir, if the present Minister of Finance (Mr. Benson) had issued the Ten Commandments one tablet of stone might have been enough to get him through the short form title but he would have needed to use all of the Laurentian mountains to get through the bill and he would have needed the Rocky mountains to accommodate the amendments.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, nobody really knows whether this bill is relevant to conditions that have changed substantially since it was introduced last spring. The provinces have requested postponement of the implementation of the bill. We have no idea what arrangements are going to be worked out with the provinces in the fields of estate tax and succession duties. We do not know what kind of tax jungle is going to arise out of the stubborn persistance of the government in bulling ahead. Yet the government is insisting on lowering the guillotine on discussions of a bill that nobody on that side of the House understands.

I want to emphasize in the few minutes I have that we have not taken a position of intransigence on this tax bill.

An hon. Member: Oh, no?

Mr. Stanfield: On the contrary, we proposed a course of action that we felt was both sensible and honourable. Unlike the parliamentary secretary, Mr. Speaker, we felt some obligation to understand it before passing it.

Some hon. Members: Hear, hear!

Mr. Stanfield: We proposed a course of action that we thought was both honourable and sensible and we had high hopes at one point that the government might be prepared to accept that course. We had such high hopes because earlier in this session, in relation to another difficult although much less complex piece of legislation, the government did accept in principle the same kind of procedure when an impasse seemed to have been reached. Negotiations at that time were not all take and no give on our part. Those negotiations were subsequently frustrated; there are various interpretations of the reasons for that frustration but I am not going to go into that in the few minutes available to me. What is significant is that the government showed for a brief moment during that episode one of its rare demonstrations of faith in the parliamentary system.

In making our proposal in relation to the tax bill we felt there was at least a recent precedent that the government, however fleetingly, was prepared to treat this House as it should be treated, as a human instrument whereby men of good will can fulfil the needs of the country as much as is humanly possible by consensus.

I congratulate the government House leader for his common sense and his courage in setting that precedent on that occasion. But I cannot congratulate him today. I see no courage in his action on this occasion with regard to this bill and I see that common sense has been sacrificed altogether. I have to ask myself why the government rejects today what was acceptable in principle a few short weeks ago. There can be only one answer—to save the political face of the Prime Minister and the Minister of Finance.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: What a face!

Mr. Stanfield: The Prime Minister and the other members of his cabinet know that the rosy bloom of this government has faded and they have felt the sting of having to withdraw unacceptable legislation such as the shoddy attempt to muzzle the Auditor General.

Some hon. Members: Oh, oh!

Mr. Stanfield: They have felt the tide of popular support run out on them on any number of unrealistic and half-baked brainstorms. They do not like it because it is bad for their image.

An hon. Member: What image?

Mr. Stanfield: But the people of Canada and Parliament must learn—

An hon. Member: Just fuddling around.

An hon. Member: It is a gay image they have.

Mr. Stanfield: The attitude of the government is that people must be shown that this government knows best. Give the people a show of strength—that always goes over well. Put Parliament in its place. Show that bunch of nobodies on this side of the House that this place is merely supposed to be a glorified rubber stamp for legislation produced by this brain trust or policies produced by this government. Make the opposition shut up.

There is no question here, Sir, of the government's right to govern. There is no question here of the opposition stonewalling a government measure. There is no question of any real need for the government to take the course it is proposing and which the government House leader has just launched the government upon. What we have here is a political manoeuvre, an ego trip with the government supporters on the other side of the House foisting on the country a bill they do not understand just to try to save the face of the government.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, at this stage I wish to indicate three reasons for voting against the motion that has been presented by the President of the Privy Council (Mr. MacEachen). May I state the three reasons in capsule form and then come back to each of them.

In the first place, I think that the use of closure is the wrong way to deal with legislation, that there are better ways. In the second place, it is a fact of history that every time a form of closure has been used in this House it has produced ill will, chaos and confusion, and has resulted in a period of time during which nothing constructive or effective is done.

Some hon. Members: Hear, hear!

• (2:40 p.m.)

Mr. Knowles (Winnipeg North Centre): In the third place, Mr. Speaker, I contend that a tax bill, and certainly

a tax bill as voluminous as this one and as confusing to the people of Canada as this one, is too important a piece of legislation to be passed under closure.

An hon. Member: It is too important to pass, eh?

Mr. Knowles (Winnipeg North Centre): May I come back to the first of my three points. I firmly believe that there are times when we must allocate the time of this House, organize our business and get on with the job that is before us. But I suggest, Sir, that we have proven over the years that this can be done by understanding and by agreement. I suggest that even with respect to this important bill, contentious though it is, there have been many unanimous agreements among the House leaders. We have determined the amount of time that should be spent on certain subject areas. These agreements have been announced in a low key to the House and have been accepted. I believe it would have been far better to continue in that way and to achieve an end to this debate by agreement and by understanding instead of by the use of the big stick unilaterally wielded by the government. I suggest that the announcement the President of the Privy Council made in the course of his remarks proves my point. We in this party welcome enthusiastically the announcement he made to the effect that the government will make amendments improving the situation with respect to credit unions and co-operatives. How has that come about?

Mr. Alexander: That is the question.

Mr. Knowles (Winnipeg North Centre): It has come about because of free debate.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It has come about because of free debate in which hon. members in all parties in the House took part. I give credit to the hon. member for Essex (Mr. Whelan), to the hon. member for Gloucester (Mr. Breau) and to the hon. member for Fort William (Mr. Badanai), as well as to others on the government side of the House who took part in that debate. As a result of that debate—since there was no time limit we could make our points and drive them home—the government has seen the light and the welcome announcement was made by the minister today. He is pointing to himself. He wants credit for what he did as well, and I give it to him.

An hon. Member: He needs it.

Mr. Lambert (Edmonton West): It was part of the deal.

Mr. Knowles (Winnipeg North Centre): The point is that when debate is free, that kind of thing can happen. I suggest that from now until a quarter to six on Wednesday the debate in the Committee of the Whole stage will not be free. We will just be riding out the time. There will be no yielding by the government on any other points. Many amendments that opposition members might wish to make will never be made because there are 707 pages to the bill and many sections and subsections have not been discussed and will not be reached. Yet at 5.45 p.m. next Wednesday the 100 or so amendments moved by the Minister of National Revenue and many sections which have not even been debated will have to be voted on one by one. That is not free debate. That is not dealing with legislation in the proper way. I reject it completely.

I insist that the opposition party House leaders have the right to say that we have given the government a good run of co-operation. Here I give credit to the President of the Privy Council as well. He has been a good government House leader in the sense that he has been very co-operative. We have done well during the last two or three years. I do not know why he has to reverse that process and use the big stick with respect to this piece of legislation. That is my first point, Mr. Speaker. This is the wrong way to do it. There is a better way, and it has worked time and time again. I wish that this House would stick with the better way.

The second point I announced when I first started was that it is a matter of historical fact that every time we get into one of these situations in which closure is imposed, ill will develops. We have already seen it in the House yesterday and today. The danger is that this sort of thing will continue. When it does, we do not see Parliament at its best. I do not mind confrontation. I like it. I do not mind the cut and thrust of debate. I like it; I like debate to go back and forth. But when we get to the stage of chaos, furore and good will, that just is not Parliament.

An hon. Member: Shouldn't that be ill will?

Mr. Knowles (Winnipeg North Centre): Yes, that should read as ill will. So far as what will happen between now and a quarter to six on Wednesday is concerned, why, we might as well take the vote now because the kind of Parliament we are used to within our experience will not be operating. Even so, even though this has begun to happen after it was announced that closure would be put into effect, even though it has already started in this case, I stand here as a member of the opposition and plead that we not do that and that we not operate in that way. We have only so much time left for the tax bill. Let us spend that time on the bill. Let us deal with as many sections as we can. Let us not have too many sideshows or too many diversions. Let us not lose any of the time it is proposed to allot to us.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): The third thing I wish to say, Mr. Speaker, as I indicated at the beginning, is this. Speaking as one who has never been willing to support closure, I think there is a particularly strong case against closure with respect to this bill. Nothing so affects all the people in the country as a tax bill. Everybody has to pay taxes one way or another, directly or indirectly. This bill has about it many misunderstandings. There is much confusion about it. In the course of the next year or so after this bill is put into effect there is bound to be a good deal of feeling against its provisions. If the Canadian people remember when they fill out their income tax forms and pay their taxes that this bill was imposed upon them under closure, they will feel even more bitter about it.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I submit, Mr. Speaker, that since the opposition parties in this House represent, according to the vote of 1968, more than 50 per cent of the people in this country, more people than the members on the other side of the House represent, our desire that this bill be dealt with by free debate rather than under closure is a valid point. As a House leader I would be glad to continue taking part in discussions to try to achieve some understanding, some way, to bring the tax debate to an end. I submit that this is the wrong way, that it produces ill will and that it is unfair to foist upon the people of Canada, under closure, a tax bill of this magnitude. Therefore, Sir, I hope the House will vote against the motion that is now before it.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in my opinion, the arguments brought forward by the government leader in support of his motion include three main points which I should like to analyze very objectively.

First of all, he referred to the white paper which was produced and which, for many months, has been available for public perusal. The public was in a position to make representations to enable the government to make changes called for by the organizations which were prepared to submit relevant briefs.

I readily recognize that the hon. minister is right in saying that the public had the opportunity to make an exhaustive study of the legislation. I would however point out to him that preliminary studies for preparation of Bill C-259 involved very lengthy work sessions for department officials over several years. And today the members who have been acquainted with this omnibus bill for only a few months are being asked to pass it in all haste.

I recognize that the Minister of Finance (Mr. Benson) moved a motion in this connection on June 18th. But the bill itself was handed over to the members only in early September; it contains provisions and amendments of great importance to various organizations; representations are being made to us almost daily since the opening of the debate, and we must make sure that the individuals and organisations that are hardest hit will not be taxed unfairly.

The Croll report on poverty mentions that 60 per cent of federal taxes are paid by low wage earners. We must take the necessary steps to study tax reform in order to guarantee some categories of people the possibility of getting a more equitable treatment.

• (2:50 p.m.)

At the second reading stage, Creditistes were wrongly accused of filibustering a little when the House made the detailed study of sections 135, 136 and 137 of the bill regarding co-operatives and caisses populaires. But our only intention then was to make suggestions to the government, to propose ways of improving the tax system, while being very careful not to destroy the co-operative movement which served Canadians so well and is still able to do so.

The hon. minister informed us today that amendments would be brought forward with regard to capital employed.

This is what we suggested in order to speed up the debate, namely that the proposed concept of capital used which would serve as the main basis for computing the cooperative corporations tax, be simply removed. If the Minister would introduce an amendment of such a nature in order to remove this concept, there would no longer be any discussion, and the section would be passed very quickly I do not see any reason why it was felt necessary to invoke Standing Order 75C to limit the debates, because as soon as the government moves these amendements that meet with the wishes of the caisses populaires, the co-operative corporations, the credit unions as well as our own, he can be assured of the co-operation of all the hon. members of this House.

Mr. Speaker, we are not here to make deals. I find it extremely unpleasant to see that when we want to speed up business, we try to make offers and counter-offers. I really do not like this business about making conditional concessions. Let us be honest with one another. Surely we can come to an agreement without having to sound as if we were making a deal at the taxpayers' expense. Let there be honest, concrete suggestions made, let valid amendments be proposed, and the government can be assured of our co-operation. I object to the false information handed out to the public to the effect that whenever we take a stand, we do so in order to filibuster. I would also like the press to be more objective so that the public might be better informed of what goes on in this House.

On behalf of my colleagues I oppose this motion aimed at limiting debate on Bill C-259 to four days. Next Wednesday, after these four days, at a quarter to six, it will no longer be possible to propose amendments nor to continue the debate. That amounts to gagging the House. No matter whether you agree or not, the majority decides.

Mr. Speaker, it is the first time that such action has been taken since I came to the House. I sincerely deplore that. Yesterday I thought there was still some possibility that this motion would not be introduced today. I still had some hope. Even today, at noon, I told a journalist who had asked me about it that I hoped that the debate would not get even more complicated by such a motion. But, having taken this decision, the government will also have to bear the consequences. I will have to vote against that measure, but let it be clear that I do not vote against the amendments that will be proposed in order to improve the situation of co-operatives and caisses populaires.

Furthermore, we had asked that construction and forest workers as well as of mechanics and railwaymen be taken into consideration so that their travelling expenses be deductible under the bill, thus affording them a measure of protection.

I regret very much, Mr. Speaker, that the front benches are so irresponsible because when we try to bring forth arguments likely to justify our position, they laugh and talk in order to confuse the speaker. Mr. Speaker, I want to tell them that I am not thrown off the track that easily. I know where I am going I am sure of the positions I have to take and I do so honestly.

Finally, I must say that despite the government's attitude, we will co-operate just the same so as to make the best possible use of such a situation. Life must go on. Let us hope that we shall continue just the same to under-

stand one another and to work efficiently in the best interests of our fellow citizens.

[*English*]

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I believe it is essential for the country and for taxpayers generally, and particularly for those hundreds of thousands of taxpayers who will be taken off the tax rolls if this bill passes—

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): —that the present uncertainty concerning the fate of the tax reform bill be brought to an end as soon as possible.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): I think all members of the House are aware that business decisions are pending throughout Canada, awaiting passage of this bill, that capital investment is being delayed until this bill is passed, that budget formulations are being made on the assumption that this bill will pass, that the accounting systems of most businesses, particularly those whose fiscal years have already begun and will end in the period covered by the bill, are being adversely affected by the failure of Parliament to come to grips with the situation.

I need not cite any greater authority on uncertainty than the Leader of the Opposition (Mr. Stanfield). Last February he was complaining in a speech that the government's alleged failure to announce decisions on tax reform was having an unsettling effect on the economy. This is what he said:

It is this aspect of uncertainty about our economy that tax legislation could go a long way to clearing up.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): This bill has been studied and digested more thoroughly than any other piece of legislation which has come before this Parliament or any other Parliament I have known. It has been suggested from the other side that it should be withdrawn.

Mr. Baldwin: No.

Mr. Turner (Ottawa-Carleton): What chaos that would produce, with business not knowing whether to rely on the present taxation law or to rely on a future taxation law, having already prepared itself to operate on the basis of a future taxation law.

• (3:00 p.m.)

The Leader of the Official Opposition and his House leader, the hon. member for Peace River (Mr. Baldwin), have put to the House and the government the proposition that the tax bill be split. How ought it to be split, Mr. Speaker? Technically it would be a nightmare to do so.

Mr. Bell: It already is a nightmare.

Mr. Turner (Ottawa-Carleton): Parliament and the Committee of the Whole have had a very full debate to this date consisting of 37 days, 12 days on second reading and 25 in Committee of the Whole.

[Mr. Lambert (Bellechasse).]

Might I clarify a statement made by the Leader of the Opposition. To my knowledge and from advice I have received I can tell the House that the bill was distributed to the House by the distribution office on July 12.

Some hon. Members: No.

Mr. Baldwin: That was the version in Chinese.

An hon. Member: Another of those cabinet leaks.

Mr. Turner (Ottawa-Carleton): The hon. member would not know that because he was on vacation. The bill has been discussed in Committee of the Whole on the basis of an interparty agreement among the House leaders. All of its major aspects have been debated, such as personal exemptions, the capital gains tax, corporate income, the way the legislation affects the farming community, the problem of the basic herd and so on.

Mr. Baldwin: We have a basic herd on the other side of the House.

Mr. Turner (Ottawa-Carleton): All of these major aspects of the bill have been thoroughly canvassed on second reading and debated in Committee of the Whole. Surely the time has now come, after almost two months of debate in this House, for Parliament to express itself on the bill.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): After all, democracy means debate—

Some hon. Members: Oh, oh!

Mr. Turner (Ottawa-Carleton): —but democracy also means the taking of decisions after debate. No member of the House would pretend that this bill is a perfect instrument.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The minister has only ten minutes in which to make his speech and it has become very difficult for any member of the House, including the Chair, to follow what the minister is saying.

Mr. Turner (Ottawa-Carleton): This parliament, Mr. Speaker, must pronounce itself on the bill. The people will also decide. The government, of course, will in due course be accountable to the people. But what the members on this side cannot accept is accountability for the uncertainty that the opposition is attempting to thrust upon this Parliament. Our responsibility is to try to persuade Parliament to bring this uncertainty to a close.

I want to issue a challenge to the opposition. I want the opposition to take a position on this bill and on some of the individual clauses of the bill. Let them vote against those clauses they do not like, but let them allow the bill to come to a vote so that the positions of both sides of the House be made clear.

Despite the rhetoric used by members on the other side of the House, this motion is not brought under Standing Order 33 or under the closure procedure. This motion falls under the rules providing for the allocation of time, Standing Orders 75A, 75B and 75C.

Mr. Baldwin: It is closure.

Mr. Turner (Ottawa-Carleton): The government House leader tried to get an allocation of time under rule 75A by agreement among all parties in the House. He was unable to get any agreement whatsoever for any period of time. The government House leader then proceeded under rule 75B hoping that he could get what the rule calls a qualified agreement to allot time, but he was not even able to get from the opposition a qualified agreement to allot time.

Some hon. Members: Oh, oh!

Mr. Baldwin: It is still closure.

Mr. Turner (Ottawa-Carleton): The government House leader, as contemplated under this time allotment rule, and as he was entitled to do, then moved under rule 75C, which is the procedure whereby if—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Again I must call for order. There is absolutely no possibility for the Chair to hear anything that is being said either by the hon. member who has the floor—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I suggest to hon. members that they should allow the Speaker to speak even if they will not allow the member who has the floor to speak. I would bring to the attention of hon. members that if we are going to have a debate we should give an opportunity to the member who is recognized to make his speech. This would be a rather dull place if there were absolute silence all the time; it is good for debate that hon. members should have the chance to express their views in one way or another. But, as I say, the hon. member who has the floor should be given a chance to be heard.

Mr. Turner (Ottawa-Carleton): Thank you, Mr. Speaker. Having failed to persuade the opposition House leaders to agree to an allotment of time under rule 75A, and having again tried to get a qualified agreement under rule 75B, the government House leader was entitled under the same set of rules to move for an allotment of time under 75C.

The proposition is a simple one, Mr. Speaker. After full and fair debate Parliament must be given the opportunity, must take the responsibility, of reaching a decision on this bill so that Members of Parliament can be accountable to the Canadian people for the bill. That is the purpose of this motion.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I hope my time will not be reduced by the length of the unseemly applause that I was given as I rose to speak. I was very much impressed by the remarks of the Minister of Justice (Mr. Turner).

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He said that there was no reason to object to what is being done. He contended that the vast mix-up of taxation laws under this bill that affect other fields of endeavour has been thoroughly digested. In his opinion there was no reason for further discussion of them. My record shows that of the 707 pages in the bill only 190 have been discussed. I suggest that when the minister speaks of digestion he could not have had the government in mind. In the past couple of weeks there have been 133 amendments moved, which indicates that the government found that its digestive apparatus was not working very well. It regurgitated what it had produced and which it thought it had well digested.

Hon. gentlemen opposite who spoke about democracy and what it means gave an amazing performance. The Prime Minister (Mr. Trudeau) knows what democracy means.

• (3:10 p.m.)

Mr. Trudeau: Hear, hear!

Mr. Diefenbaker: He is the only one who applauds it.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: He knows what democracy is because he said on one occasion that his favourite politician was a gentleman from Florence—Machiavelli. Machiavelli was noted for his—

Mr. Trudeau: He is not from Florence.

Mr. Diefenbaker: I do not want to miss these words of wisdom.

Mr. Trudeau: It is "Mac". It is a Scottish name.

Mr. Diefenbaker: Machiavelli was known for his craftiness. He was known for his ability to pretend. He was known because he was often misinterpreted, frequently misinformed, but never mistaken. I do not know how far one is supposed to carry this analogy. Mr. Speaker, they are not even through with the amendments. The President of the Privy Council (Mr. MacEachen) said in effect, "We have a few more".

Mr. Stanfield: They are just starting.

Mr. Diefenbaker: They had a lot of difficulty digesting what taxes they were going to apply to co-operatives and credit unions across Canada. Then they back down.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: You said you were going to stand. You still have more than 140 amendments that have not been considered. In addition there are some further amendments being brought forward.

An hon. Member: Straighten him out, Bob.

Mr. Diefenbaker: The government are in the position of having a mathematical majority and, therefore, regardless of whether Parliament is raped or not, intends to cut off discussion. The Minister of Justice (Mr. Turner) mentioned 75C. That thing was brought in by closure.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I sat on this side of the House in 1956. The Secretary of State (Mr. Pelletier) laughs. At that time he was engaged in other activities of a leftist nature.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: In 1956 I saw the ministers ridicule the opposition. I saw the members supporting the government treat us derisively and contemptuously as they are doing today. Ridicule was heaped on the opposition for daring to say the government had not permitted discussion. Today we are dealing with a matter involving personal income, capital gains, taxing of corporations and shareholders, taxing of mining and petroleum industries, business and property income, international income and taxation of farmers. The government does not know where it is going. Otherwise, you would not have produced all these amendments. You do not want discussion. You have a majority in Parliament and you can trample on Parliament.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: I say to the Prime Minister, you can trample on Parliament, but today you only have 40 per cent of the people of Canada who believe in you.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Let me tell you this, Mr. Speaker—

Mr. Speaker: Order, please.

Mr. Diefenbaker: The Prime Minister points. He usually thumbs.

Mr. Speaker: Order, please. I apologize to the right hon. member. Perhaps I should not interrupt him, but I am wondering whether he has been addressing his opposition more than the Chair. He has been using the pronoun "you". I do not know whether that is strictly rhetorical. Perhaps he might address the Chair rather than members on the opposite side of the House.

Mr. Diefenbaker: This House can be turned into an institution of fuddy-duddies. As far as I am concerned, it is not going to be.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I say to the Prime Minister that this is proper debating because I necessarily say it through Your Honour to him. I do not direct it to him. There are only ten minutes available.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Is it because of the fear of argument that they hoot across the way? I remember the immortal words of the Prime Minister in 1968. He said, "We are your masters". Oh, yes.

An hon. Member: That was in 1963.

Mr. Diefenbaker: The hon. member is so far behind that he does not realize we were defeated in the House in 1963.

An hon. Member: November, 1962.

Mr. Diefenbaker: Constitutionally, we resigned. However, when the Pearson government was defeated in 1968 it stayed on.

Some hon. Members: Hear, hear!

Mr. Bell: Just like Joey.

[Mr. Diefenbaker.]

Mr. Diefenbaker: The Prime Minister has treated this institution with the most supreme contempt that I have ever seen shown to the Parliament of Canada in all my life.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Those who sit behind the Prime Minister applaud. They hear their master's voice.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Diefenbaker: The degree of the decibels indicates that I have gotten under their hides, if I may use that expression. This is a serious occasion for Parliament. It is being treated as the pawn of the Prime Minister. Over and over again he has left the House when criticized. Only a few days ago he walked out of a press debate in Halifax. He said, "Let's go home." The Prime Minister's place is to take part in the major debates in Parliament. In the entire period he has been in office he has not spoken more than two or three times.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: Five.

Mr. Diefenbaker: The Prime Minister is correcting me. He says "five". I think there is a little multiplication there.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: How is Parliament being treated? This is a bill that very few people can understand. There are sections that are completely incomprehensible. They might as well be in Sanskrit. Nobody can understand them. The government cannot. Instead of having a minister pilot the bill, the government has a parliamentary secretary doing so.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: I hope Your Honour is watching the time. This type of interruption reduces one's opportunity to speak. That is the reason it is done. It is an irresponsible course. The parliamentary secretary has no responsibility. He cannot speak for the government. If he could, the hon. member for York East (Mr. Otto) would have been speaking for the government the other day when he spoke of the dastardly mess the economy of Canada is in because of this government.

Some hon. Members: Hear, hear!

• (3:20 p.m.)

Mr. Diefenbaker: Parliamentary secretaries, however able they may be, cannot pilot bills before Parliament. That is a rule that has been upheld all through the years. It is something which has been swept aside by this government. The Prime Minister once before had a moment of forgetfulness. He forgot his age. That was selective forgetfulness, but the other day he had so many parliamentary secretaries that he forgot he only had authority for 27 and appointed 28. With great pride he brought them before the

House and three hours later said that the hon. member for Laprairie (Mr. Watson) was supernumerary and was out. One hundred and ten members of the 150 on the Liberal side of the House have various jobs and some of them are filled with an abiding interest. They feel that if they make it clear that they hear the master's voice, ultimately they will hear the master's voice say, "Follow me".

Mr. Woolliams: Where the hell were they yesterday?

Mr. Diefenbaker: This is the ultimate rape of Parliament by a group of members who do not represent the majority of the people of Canada. Their support has fallen away in recent weeks to such an extent that whenever the election comes that will be the end of them.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker—

An hon. Member: Smallwood.

Mr. Jamieson: Mr. Speaker, the Leader of the Opposition (Mr. Stanfield) made a biblical reference earlier in his speech.

An hon. Member: To you.

Mr. Jamieson: I was about to say, Sir, that if the Leader of the Opposition can make a biblical reference perhaps I might be permitted to say that if God had had to choose someone to holler the Ten Commandments from Mount Sinai he would have picked the hon. member for Halifax-East Hants. If he had had the help of the hon. member for Digby-Annapolis-Kings he would have made even the Ten Commandments sound like a first degree murder indictment.

The right hon. member for Prince Albert (Mr. Diefenbaker) knows of the high regard I have for him. I would hope he would not class me among any fuddy-duddies in this House. He also made an analogy involving Machiavelli. He talked about the rare talents of Machiavelli which he said included craft, various other skills, and a certain amount of deviousness. Indeed, it might be that for a moment I had the impression he was talking about himself. Under these circumstances he will not regard that as an insult because in fact he will know too, as a great student of history, that at long last Machiavelli is being in a sense restored to a position of prominence in the eyes of many people, including historians, and there is still hope that the hon. member may yet achieve a rehabilitated position himself.

Some hon. Members: Hear, hear!

Mr. Jamieson: May I say I sympathize profoundly with him on one point. He referred to the backbenchers of this party and the way in which there is an immediate and almost uniform response on every occasion to what he described as a master's voice. We can understand the difficulty on the other side because the voice tends to come from two places almost at the same time and is often contradictory.

Some hon. Members: Hear, hear!

Mr. Jamieson: Mr. Speaker, I am aware that time is short. I am aware also that my right hon. friend and I enjoy this kind of thing.

Mr. MacInnis (Cape Breton-East Richmond): Quote your Prime Minister and tell us about the bums and idiots.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Minister of Transport has the floor.

Mr. Jamieson: Mr. Speaker, once again I am so grateful to the right hon. gentleman from Prince Albert and may I quote him in response to the somewhat offensive remarks from the opposition side by saying when I am on the trail of elephants I am not detracted by rabbit tracks.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Jamieson: In the limited time, if hon. members—

An hon. Member: You are surrounded by seals.

Mr. Jamieson: Mr. Speaker, the Leader of the Opposition spoke in his usual way and perhaps his natural way—quite modestly. I suppose it could be said he has a great deal to be modest about. But I want to say to him it is a fact that for whatever reason the documents concerned were not delivered into the hands of some opposition members they were in fact available from July 12. If the conclusion to be drawn from this is that the Tory party does not have a single friend among the tax experts in Canada, I can very well understand that. May I also say on a more serious note that despite comments to the contrary—

Mr. Diefenbaker: The hon. member had to get it by a leak.

Mr. Jamieson: The right hon. member should know that when we do that we do not tear the cover off the book.

I would agree, Mr. Speaker, with the House leader for the New Democratic Party. As is often the case he had, in my opinion, the most reasoned and most sensible comments to make in this debate. It is of no consequence on either side that I do not happen to agree with them in a basic way, but I do admire the fair and sensible way in which he put them forward and decided to dwell on the issues and not on extraneous matter. Because I would dearly love to have followed his example-

Some hon. Members: Oh, oh!

An hon. Member: He doesn't want to get experience.

Some hon. Members: Hear, hear!

Mr. Jamieson: If hon. members want to holler I can give them a bigger holler than almost anybody else.

In the few moments remaining I should like to make one or two serious comments and direct them to the issues which have been raised in the usual statesmanlike manner by the leader of the House party of the New Democratic Party.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Jamieson: This gentleman says—my apology.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

• (3:30 p.m.)

Mr. Jamieson: Perhaps the wish was father to the thought. On the points that he made, may I say very briefly that it is, of course the wish of all of us that it could have been possible for us to achieve the kind of unanimity that would have produced not only a bill with which we could all agree but, most important, a bill that could be introduced and enacted quickly, thus putting an end to the indecision. This was not possible for the House leader to do, and I think it is a terribly important point. Incidentally, it has been said that we have dealt with only 191 pages of the bill. I say to the right hon. gentleman with all due deference, and I do not mean it unkindly, that this is something of a representation in that the most of the key points in the bill are in those 191 pages.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): Nonsense!

Mr. Jamieson: Let us assume that the rate of progress that has been made was adequate.

Mr. Forrestall: What are the 500 pages left for?

Mr. Jamieson: I will tell you what they are for, to hold up this bill for another nine months—nine months of indecision.

Some hon. Members: Oh, oh!

Mr. Jamieson: If it took this House three months to study 191 pages, it is surely logical to assume that, given the snail's pace of progress on some of these matters, we would be here for another nine months, and that is too long to wait in indecision in this country on such an important measure.

Some hon. Members: Hear, hear!

Mr. Nowlan: Joey Smallwood knows how to hold things up.

Mr. Speaker: I am not sure who has the floor. I ask hon. members to give the Minister of Transport (Mr. Jamieson) a chance to complete his remarks. He has just about one minute left.

Mr. Jamieson: I may say that it would be folly for the hon. member for Annapolis Valley (Mr. Nowlan) to request any foghorns in his riding in the future because I know he will not need them.

However, in the moment remaining, may I remind the House very briefly of the exhaustive study that these measures have had from the very first day on which the right hon. gentleman appointed the Carter Commission. It is true that we could go on indefinitely on many of these matters because surely it would not be possible, on a measure of this magnitude and complexity, to ever expect that this House would be unanimous on the total bill. At some point there would have to be disagreement. All we are asking is that the House use the normal amount of time which we think is adequate to the job.

May I remond hon. members in passing that the house of commons of the United Kingdom took six days of debate to decide on entry into the European Common Market.

Some hon. Members: Hear, hear!

Mr. Jamieson: I will not try to argue the point, but let me say finally that while we have responsibilities to the opposition which, quite properly, they never let us forget, I suggest that the opposition has the responsibility to the government to let it bring its program forward and to enact it into law. Finally, of course, we both have a responsibility to the people of Canada. We are satisfied to take the reaction that will result from this procedure because we are satisfied that what the people of Canada are really saying to us is to get on with the job, and that is what we are trying to do.

Some hon. Members: Hear, hear!

Mr. James A. McGrath (St. John's East): Today, we seem to have proof as to who is expert in the House on extraneous matters. In ten minutes, the Minister of Transport (Mr. Jamieson) hardly referred to the motion or the issue before the House. It would appear that he got lost in the rabbit tracks to which he referred in reply to the right hon. member for Prince Albert (Mr. Diefenbaker). He did mention Machiavelli. I can think of no one more qualified in this House to speak about Machiavelli because the minister learned about Machiavelli from an expert, the premier of Newfoundland. The Minister of Transport would do well to direct his efforts and his attention to the mess in Newfoundland today resulting from the intransigence of the Liberal party in refusing to listen to the wishes of the people of Newfoundland.

Some hon. Members: Hear, hear!

Mr. McGrath: That is Liberal democracy for you, Mr. Speaker. Here is a party that was defeated by the people of Newfoundland and yet refuses to resign. We will have another opportunity to meet the minister on this question. We will be seeing him in Sally's Cove.

The minister spoke about closure; he spoke about the opposition's objections to this device, this guillotine on the part of the government. Indeed, the right hon. member for Prince Albert referred to the fact that, now that the device has been used, rule 75C itself was born of closure. Why was it that the government had to use closure to bring in Rule 75C? They had to use closure because 75C was a repugnant to us then as it is now. Here we have the same government that imposed closure on the House to change the rules of the House just a few years ago now taking the unprecedented step of imposing closure on a tax bill. I doubt that there is a precedent anywhere in the annals of British parliamentary history. All I can say is that the arrogance of this government is only exceeded by the contempt it has for this institution.

Some hon. Members: Hear, hear!

Mr. McGrath: They are using closure to impose a tax bill of major dimensions on the people of Canada without having regard to the traditional and ancient right of the elected representatives of the people to examine all government tax legislation. The government will have to answer for this, and let us hope that it will not be too long before they have to go to the people of Canada. This government has so badly mismanaged its affairs that it introduced a bill for which subsequently it had to bring in over 130 amendments, and yet they talk about us taking up the time of the House. They are the ones who monopolize the time of the House by introducing an unsatisfactory bill to which they had to bring in over 130 amendments.

Some hon. Members: Hear, hear!

Mr. McGrath: It might be well to repeat the facts. The legislation before the House, as my leader has said, was not introduced until June 30, the day Parliament recessed for the summer. It did not receive second reading until September 13, and it is interesting to note that after it received second reading on September 13 the Minister of Finance (Mr. Benson), as a result of the government's mismanagement of the economy, had to introduce a mini-budget which added further proposals to the tax bill already before the House. They say that we are taking up the time of the House. Notwithstanding the enormity, complexity and importance of the bill—

Mr. Speaker: Order, please. Again, I bring to the attention of hon. members that it is difficult to follow the speech when there are conversations, conferences and caucuses going on in the House. I invite hon. members to give the Chair an opportunity to listen to the speech.

Mr. McGrath: What can one expect from the government whip who misuses and abuses rules of the House by walking into the House during the taking of the vote. He would do well to leave this House now.

• (3:40 p.m.)

They talk about taking up the time of the House, Mr. Speaker. We have taken a total of 34 days on this bill, notwithstanding the fact that it contains 707 pages and has over 256 different sections. All I can say is that we have needed the time that has been taken thus far, and indeed we need more time just to deal with the government amendments, and the amendments to those amendments.

The only ones who really stand to gain from the government's ineptitude are the tax lawyers and accountants who cannot wait to get their hands on this mess. In reality this bill contains eight different legislative measures, all of them of tremendous importance.

Mr. Pepin: Great importance.

Mr. McGrath: I would suggest that the Minister of Industry, Trade and Commerce should take off on another one of his junkets, if that is the best he can do in this House. What about the provisions dealing with credit unions and co-ops? That must have been some caucus today, Mr. Speaker. I would have loved to have been in that caucus and hear the hon. member for York East (Mr. Otto), and also the hon. member for Essex (Mr. Whelan), who threatened to resign from the Liberal party if the government did not do something about the provisions with respect to co-ops and credit unions.

A bill that directly affects every facet of life in this country, that directly affects the lives of all Canadians deserves the time of this House.

Some hon. Members: Hear, hear!

Mr. McGrath: Who will deny our right, and indeed our responsibility, to examine every clause of the bill in detail, and to examine the government's amendments, and its amendments to its own amendments? That is our responsibility, Mr. Speaker, as well as our right. I might add, Mr. Speaker, that government incompetence in the management of the business of the House is directly to blame for the situation in which we are right now. Because of that mismanagement of the business of the House this bill was not introduced until the eleventh hour, and the government's amendments were not introduced until we were well into discussion on the bill; hence, we had no opportunity to examine those amendments.

I submit to you, Mr. Speaker, that the use of closure on this bill,—

Mr. Gibson: It isn't closure.

Mr. McGrath: —contemptuous as it is, is an insidious attempt by the government to hide the facts, and the facts are its own mismanagement of the business of the House as well as its mismanagement of the economy. We have never really been given a chance to examine this bill and, what is more important, the people of Canada have not been given an opportunity to examine the bill or the amendments to the bill introduced by the government. That is one of the important functions of Parliament. It is one of the reasons why Parliament must make detailed examination of bills of this magnitude, in order to provide the people of Canada with an opportunity to understand the bills. Parliament provides an opportunity to focus attention on a bill, and provides the people of Canada with an opportunity to react to a bill.

When the government imposes closure on this House it is in fact imposing closure on the whole country by denying the people an opportunity to react to the bill.

Some hon. Members: Hear, hear!

Mr. McGrath: But what I consider to be more important, or perhaps I should say equally important, is what the government is doing to Parliament because in the process members of the government are destroying this institution, and they well know it. I can think of no better authority to quote on how Parliament should function than the Prime Minister (Mr. Trudeau), and his words can be found at page 72 of *Hansard* for September 16, 1968, when he referred to:

> —the delicate and essential balance between government and opposition so necessary to the proper functioning of Parliament.

I say to the government of Canada and to the government House leader that they have, in fact, today destroyed that delicate balance, and by destroying that delicate balance between government and opposition they must be prepared to put up with the consequences of their action. What are the consequences of their action? They are a

House in which there is no good will, and a House in which they never again can expect to get the co-operation of the combined opposition parties.

Finally, may I just remind the government that it took the King-St. Laurent governments 22 years to become arrogant to the point where they could impose closure. It has taken this government less than four years to achieve the same degree of arrogance, and the same fate awaits it as befell the King-St. Laurent governments after 1957.

Mr. David Lewis (York South): Mr. Speaker, although the subject under discussion is obviously important, it is a bit difficult to see that importance emerge from some of the discussions we have had. I want to deal only with what is before us. I want to say to the Minister of Transport (Mr. Jamieson) and to the Minister of Justice (Mr. Turner), that consciously or unconsciously they really put the case before the House and, between them, condemned what the government has done, and condemned rule 75C.

I understood the Minister of Transport said he was chasing elephants somewhere in the jungle, when he declared that if the government had not done what it did do, we would be nine months longer studying this bill. I tell him that is not chasing elephants, that is chasing red herrings. I tell him that statement is not honest, that it is not justified, that the co-operation of the opposition parties in allocating time for every section of this bill in Committee of the Whole proves that his statement that it would take nine months more is a total fabrication, and that he ought not to have made it.

The Minister of Transport has the evidence of the actions and the behavior of the opposition parties throughout the discussion in Committee of the Whole when we agreed on a day for this subject, and two days for that subject, and so on. It may well be that agreement could not be given for limiting debate to four days—

Mr. Sharp: Or five.

Mr. Lewis: It may well be that the government House leader could not get agreement on any particular number of days, but as the House leader for our party pointed out, that does not mean to say that if he had continued to seek the co-operation of the opposition parties he would not have got it. Perhaps by agreement it could have taken six days or eight days.

Mr. Gibson: Or nine?

Mr. Lewis: The second point I want to make is in connection with a statement made by the Minister of Justice. I may not have it word for word, but I think I have it basically correct. I believe he said that democracy means debate but it also means decision after debate. That is the kind of trite statement that really attempts to hide the subject. Let the Minister of Justice visit some children in any public school and tell them the same thing, and they will all raise their hands in agreement with him. Of course, the issue is how long a debate, how deep a debate, how broad a debate—not the silly trite nonsense that you have to get to a decision some time. Who the devil disagrees with him on that?

The fact is that what the Minister of Justice said was echoed later by the Minister of Transport. Again I have not got it word for word, but I think the essence of it was that when we debate something for what the government considers adequate time, the government wants the right to have a decision made. Who the devil are they to make that decision? The government makes that kind of decision only if it abrogates to itself the kind of arrogant and absolutely totalitarian powers which it included in rule 75C. That is why we opposed it in 1968-69. That is why we were ready to agree with 75A and 75B seeking a House order when parties have agreed unanimously, or by a majority. And that is why we opposed 75C because we recognized it placed in the hands of the government a power which it will abuse, and it is abusing that power today.

[Mr. McGrath.]

• (3:50 p.m.)

Mr. Speaker, it is for them alone to say how long this debate can take. I do not say that the debate should be endless; I do not say that there should not be agreement on allocation of time from day to day as we go along and I am sure that can be obtained. If the debate had lasted a long time anyone could legitimately and reasonably say it was too long and then perhaps the government would have a case to go and plead with Parliament to do something. I say to the ministers, to the House leader, to the Minister of Finance (Mr. Benson), to the Prime Minister (Mr. Trudeau), that even though they add everything up and say we have had 37 days of debate, 12 on second reading and 25 in committee of the whole, that that is not only not an unreasonable length of time to debate this bill but it is obviously an inadequate length of time to debate it.

Some hon. Members: Hear, hear!

Mr. Lewis: A bill that deals with every aspect of life and the economy of Canada as far as it affects income tax and other aspects of taxation and covers 707 pages requires three or four months of study instead of only 25 days or 37 days, and it cannot be said that sufficient time has been taken.

Nobody has referred to this point, Mr. Speaker, and I want to make it with all the force I can: this government is guilty not only of arrogance in the way it is dealing with the question of time now but was guilty of stupidity or arrogance or duplicity or something else when it drafted the bill. The Minister of Justice (Mr. Turner) said that members of the opposition can vote against the clauses they do not like. Let me tell him that unless you, Sir, change what are the habits of this House there will not be any opportunity to vote on each clause that we do not like. This is because the mandarins, who really draw up the legislation, drew one clause for the most important part of the bill. Clause 1 is 596 pages long and deals with 256 subclauses. It deals with every aspect of the tax law that is important. It deals with exemptions, with capital gains, with exemptions for mining and oil companies. Every aspect of income tax that we are concerned with is in one clause, Mr. Speaker, and we will be able to vote only once on that clause. That was done deliberately, Mr. Speaker; that cannot have been an accident.

No one can tell me that the advisers to the government or the Minister of Finance could not see what they were doing, that they were placing Parliament in an absolutely impossible straitjacket in having to vote on one clause

that covers all the sections of the new tax bill. They knew what they were doing and they did it for exactly the same reason they have done everything else. There is some sugar in the clauses, there is some pepper and bitterness in the clauses, and they intend to make members of the opposition vote either for the sugar or for the pepper in a bill deliberately designed to confuse and make it impossible for an intelligent discussion or an intelligent vote to be taken on every part of the tax law, which is what we should have had.

Some hon. Members: Hear, hear!

Mr. Lewis: Let me say, Mr. Speaker, that most of the difficulty as to time has arisen out of that shameful, stupid or deliberately arrogant way of presenting the bill, because we have not been able to deal with a clause or two and then go on to something else. I want to make it clear that we will vote against the motion and we will vote against the bill. I want to make it clear also that our opposition is not that of the Progressive Conservative party. We are not here to protect the corporations and the difficulties they will have. We are here to protest the way in which the government, through the bill, is twisting the economy and threatening our future by the concessions it makes to the corporations.

I say, Mr. Speaker, that it was unnecessary for the government to take this step and that it is impossible for anyone who has any concern for Parliament or democracy to vote for this motion.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is a great privilege for a new member of the House to join the distinguished company that has already participated in this debate.

Mr. Woolliams: That won't put you in the same package.

Mr. Jerome: I notice that the first one to holler is the hon. member for Calgary North (Mr. Woolliams) who is distinguished, of course, for the piece of the action he got while his side was in government. That is why he is so happy now.

Mr. Stanfield: I think there is some hurting over there today.

Mr. Jerome: I want to say., Mr. Speaker, that the trepidation I feel in entering the debate is made the more obvious because of the last interjection from the other side. It is trepidation not because of the opposition but because of the quality of the contributions I have to follow from this side of the House.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

An hon. Member: You won't have to be very good.

Mr. Jerome: I should like to point out two things. First, the approximately 100 members of this House who, like myself, were newly elected in this Parliament learned very quickly that the veterans of this Parliament seemed to feel that somehow they had a monopoly or patent on the formula for parliamentary democracy and that their understanding of it in the endless days of debate and filibuster was the kind of understanding and appreciation and pride in our parliamentary institutions that was shared throughout the country.

If I have no other task this afternoon except to destroy that myth, Mr. Speaker, it will be my pleasure to do so because I want to say that particularly among the young people of this country it is indeed a myth. What should be a sense of pride in this institution, in its efficiency, in its work and in its decisions is more often, pitifully, a sense of disgust at the procrastination, the filibustering, the needless delay in this Parliament in getting anything done.

An hon. Member: There is a Fascist speech!

Mr. Jerome: The point is, Mr. Speaker, that it is not a matter of any pride among the people of this country to know that we are the last of the Parliaments to embrace something that should have been done some time ago, something that has been embraced in every other country in the world, some kind of intelligent system for programming, not after the fact as is the rule with closure but programming in advance as is the case with the time allocation rule for debating time in this House and the calendarization of the parliamentary year.

Mr. Speaker, public demands and the precedents of other Parliaments led us to this point where, after much battle, we introduced and implemented a time allocation rule. I say to those who have continually used the word "closure" that it is surprising that they want to rush to that term when they know it is false and does not apply to this rule. Most of the time they rush to the public and the media. They pride themselves on the precision of their language, on their integrity and honesty in this chamber, but they know when they call this closure that they are being dishonest because that is not what it is.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Jerome: It was out of that spirit, out of the desire for some intelligent programming of the business of this House that is evident in every other Parliament of the world, that the Standing Committee on Procedure and Organization met at the beginning of this Parliament. In this spirit of tremendous co-operation, which was an example to me as a new member, the House leaders of all parties achieved a number of very beneficial rule changes not the least of which were rules 75A, 75B and 75C.

It is no news that rule 75A which provides for time allocation in the event of unanimous agreement amongst House leaders added little to the procedures of the House because basically things have been that way. We all know that when all are agreed this House can set time limits as it wishes.

• (4:00 p.m.)

Standing Order 75C was really the departure from previous practice and a step into the future in line with what other Parliaments have done in that it provided some machinery whereby time allocation could be proposed and voted upon by the House in cases where the House leaders were not in agreement. All members of that com-

mittee will agree that Standing Order 75B was put forward as a compromise between the two positions. Shortly after it was brought before the House, the salient feature of the Standing Order seemed to be the fact that the majority proposed in 75B did not include the government. Many since then, both in the House and outside, have said that, theoretically, the absence of the government from that majority envisaged in 75B makes the rule unworkable. I disagree, Mr. Speaker, and I want to say to the House that, from my understanding of the proceedings of that committee and the spirit which governed that committee, if that rule had been drafted any differently the debate on it in the House would have been even more acrimonious than was the case. I believe that this rule is being put forward in this taxation debate in a most exemplary manner and shows the will of Parliament. We have not come to the point yet at which we are prepared to accept the kind of time allocation rule adopted by the British Parliament. Nor have we come to the point at which, as in Australia, an officer of the House is responsible for negotiating all the timing of debates. The Canadian Parliament has moved slowly; at least, however, it has taken a step by introducing rules 75A, 75B and 75C. It is fortunate for Parliament and the country that the rule is being first invoked on such an important measure of such broad scope.

The most significant feature of the rule, and I want to draw this to the attention of the public, is this. If the House leaders of the opposition parties want to frustrate the government, they may be able to do so by agreeing unanimously among themselves on how long to debate a measure and thus make up the majority stipulated under 75B and put forward a proposal for time allocation in that respect. The significant part about what has happened has probably been missed by a great many of the public and the media, and I want to stress this now. The most important feature of this entire debate is to be found in the fact that the two smaller opposition parties, the New Democrats and the Créditistes, in addition to being opposed to passage of the bill for their own reasons and principles, have been even more opposed to the proposition brought forward by the official opposition. Far from being in any way united with the official opposition, the smaller parties are diametrically opposed to what the official opposition has put forward in seemingly good faith. That proposal, I say, was never put forward in good faith. It was never, at any time, more than a sham designed to bring this debate to the ground.

It is significant in that regard to remember that several days ago, before any talk of time allocation had arisen with respect to this measure, the Leader of the Opposition was prepared to come before this House with a text. He made his speech later in the day before the media. I give him due credit for wanting to make it in the House. He could not. Hon. members will recall the exact day, because that was the day when the hon. member for Skeena (Mr. Howard) moved concurrence in the report of the Indian Affairs Committee and it was not possible for the Leader of the Opposition to make his speech that afternoon. That day his remarks were made to the media. He suggested that closure would have to be invoked on the bill and he said that when there had been no such discussion. That was a prepared statement, made on the very same day that his representatives, in negotiations, put forward what they now call an intelligent proposal to split the bill. They knew it would never be accepted. They knew it could do nothing less than destroy the negotiations. It was a stall and a shameful sham that they put before this Parliament.

Some hon. Members: Shame!

Mr. Jerome: The commentary on that need not come from our side of the House, Mr. Speaker. A much more elegant and eloquent commentary came from the leader of the NDP when he refused to support the official opposition. It came from the leader and members of the Créditiste party when they refused to accept that proposition. Mr. Speaker, that was responsible conduct on the part of two of the opposition parties in this House. Since they did not use the rule to frustrate, I submit that they recognize that the government has the right and the responsibility to govern through Parliament, that legislation after it has been debated must come to a vote. They could try to stop all this if they wanted to; however, they have refused to associate themselves with the sham put forward by the official opposition. I therefore say that there is no difficulty here. The rule has a safeguard. It stands there as a credit to the smaller opposition parties. What we shall bring in is not closure but a reflection of the will of this Parliament, a will which is in favour of intelligent government planning rather than useless procrastination, of logical procedure and government decision rather than the kind of useless delay, frustration and filibuster that seem to have been the tactic and intent in this debate of the official opposition.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to take part in this historical debate on the government motion to introduce closure may I say at the very beginning that I have been disappointed in the strength of the arguments put forward by government members and I was particularly disappointed by the speech of the Minister of Transport (Mr. Jamieson) who undoubtedly must be under a great deal of strain. He has seen true examples of Liberal arrogance in Newfoundland and no doubt he sees shades of that arrogance become ever more evident in the federal Parliament. No doubt that was getting under his skin and that was why he was not himself today. The Minister of Justice (Mr. Turner) made a weak defence of the government's action in this regard. I will deal with his speech later.

Before saying more may I correct something raised by the hon. member for Sudbury (Mr. Jerome). He said we should get to the position in which we can program our legislation. How can the government program legislation when it keeps bringing in amendments? We are told that the government will introduce more amendments. Why did these amendments come about? They came about as a result of debate and argument, that is to say, as a result of concerted efforts by all members of the House of Commons. We argued in support of changes and we got changes. We dealt with 190 pages of a 707 page bill. The government realized we were making too much sense. They must have said, "We cannot keep introducing more and more amendments."

Mr. Osler: You could not sell that to your constituents.

Mr. Horner: The hon. member says I could not sell that to my constituents. I could sell that argument much more easily than I could sell this closure. It is important to improve legislation when it has been so poorly drafted in the first instance. The government has brought forward omnibus bills which encompassed too many subject matters. They have been poorly drafted. That is why the government from time to time has had to introduce amendments in order to get bills through the House of Commons.

The comparison that the hon. member for Sudbury made between the Parliament of Canada and the British Parliament is not valid. In the British Parliament 630-odd members are elected. The government controls a country which could be put inside any one of our provinces except Prince Edward Island. There you see the difference. Ours is a vast country, stretching from the Pacific to the Atlantic. It is regional in its makeup and that is why it is all the more important for us to protect our freedom of speech as soon as it is threatened by an arrogant government, no matter what that government may be called.

The Minister of Justice made some interesting remarks. He said the bill is not perfect. He also said that the opposition, in delaying passage of the bill, is causing great economic havoc across the country. If the bill in its present form is passed, havoc will be caused across the country for the next ten years because there will be case after case before the courts. People will try to determine the meaning of the bill and they will want to see how various sections should be interpreted.

Speaking in Vancouver on November 18 on the tax bill, the Minister of National Revenue (Mr. Gray), who will have to interpret the sections of the act and collect the taxes, said in part:

> Once tax reform comes into effect, the increased need by the taxpayer for rulings and interpretations will make greater demands on the limited numbers of staff engaged in the work.

He went on to say:

> I am concerned about the problem involved in finding additional staff that will be needed.

It is no secret when I suggest that once the bill comes into effect the real confusion will start. There will be much litigation and case after case before the courts in an attempt to interpret the exact meaning of the sections of the bill. No doubt there will be much confusion about it. There is validity to the remarks of the Minister of Justice when he says that the country is concerned about the tax bill and concerned about the application of the capital gains tax. The only way of alleviating or overcoming that concern is for the government to take the course suggested by the Leader of the Opposition (Mr. Stanfield). Let it split the tax bill, pass those sections dealing with increased exemptions and tax cuts, and deal with the rest of it later after those parts have been more fully debated, improved, and accepted by the provinces.

At the federal-provincial conference here in Ottawa, which the Prime Minister (Mr. Trudeau) attended about two weeks ago, five provinces said that the bill in its present form ought not to be proceeded with now. They said it was too complicated, that they did not know how it would fit into provincial tax structures. Surely, if we believe at all in co-operative federalism, when five of the provinces, containing well over 50 per cent of the population, ask that a bill should not be proceeded with, the government should pay some attention to their views. But here we have a government which pays no heed to the wishes of the provinces and as a result there is confusion and concern across the country.

• (4:10 p.m.)

Some members assert that a decision must be taken, that they were elected on June 8, 1968, and the fact of their election gives them the right to do anything they please. Mr. Speaker, in a responsible parliament it does not. They can administer the country, but when it comes to new tax measures they must bring them before Parliament and be responsible to Parliament. In the same way, if it is thought there may be too much filibustering, everyone in the opposition is ultimately responsible to the people. This is really what is meant by responsible government.

If cabinet ministers feel they can go across the country in the next election and kiss a few babies, dive off a few high-diving boards, do a back flip or two and win the support of the people they are being badly fooled. The people of Canada have seen all the arrogance they want and they do not need the government to demonstrate it to them any more. In the next election they will want to see evidence of a concerted policy, a clear statement of what the government intends to do.

Where is the Minister of Finance? Where has he been during this debate? He has not been here during this debate. And he will not be around during the next election, the papers say. Where is the Prime Minister? He left the House shortly after some of the initial statements were made. Can he not stand the heat? I see his parliamentary secretary is here, but he is not responsible except for keeping the Prime Minister out of trouble, something he failed to do when he was in Russia with him. These ministers are not around. They do not want to contribute anything to the work of this Parliament. They believe they have a supreme right to rule and do whatever they want to do.

Implementation of closure convinces me, and will convince everybody across the country, that the government believes it has a divine right to rule and that it can continue to rule no matter what happens. Their attitude is somewhat reminiscent of Joey Smallwood's attitude in Newfoundland. This government feels exactly the same way as he does. They thought of calling an election last fall, but they did not do so because they became a little worried; they did not know whether they could blame all Canada's troubles on the United States. They will get their tax bill, apparently, after closure, and then their troubles will begin. They will not call an election next year either; they will go to the limit and then the Prime Minister will find some reason for not calling an election at all. He will find trouble in one of the provinces among the ten and then say there will not be an election at all. For the moment, though, it is a case of an arrogant government using closure to impose its will.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise briefly under the provisions of Standing Order 37(1).

Division

When I was speaking this afternoon between 2.40 and 2.50 I referred several times to the proposition that if this motion were to carry the votes at the end of the Committee of the Whole stage would take place at a quarter to six on Wednesday. That statement was obviously based on the assumption that there would be four more days for discussion. However, when I study the motion carefully I realize that the four days could end on Tuesday. Therefore, when I said the votes would be taken at a quarter to six on Wednesday I should have said they would be taken at a quarter to ten on Tuesday night.

Mr. Speaker: I am not sure I accept the interpretation of the hon. member at this moment, without reflection, but I understand he is making his point in order to correct his interpretation of the Standing Order.

Mr. Knowles (Winnipeg North Centre): And only if the motion passes.

Mr. Speaker: That is correct.

It being 4.17 o'clock p.m., the two hours provided for the consideration of Standing Order 75c have now expired. Accordingly, under the terms of the said Standing Order it is my duty to interrupt the proceedings and put every question necessary to dispose of the said motion. Order, please.

Mr. Knowles (Winnipeg North Centre): Order.

Mr. Speaker: May we have order, please?

Some hon. Members: Remove him!

Mr. Mahoney: Out!

Mr. Speaker: I would again remind hon. members of the admonition which was delivered earlier today. We should make an effort to keep in mind the provisions of the Standing Order while the question is being put.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division.

• (4:20 p.m.)

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Basford
Béchard
Beer
Blouin
Borrie
Boulanger
Breau
Brewin
Buchanan
Cafik
Cantin
Chappell
Clermont
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goyer
Gray
Guay (St. Boniface)
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
O'Connell
Orange
Osler
Otto
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Reid
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Saltsman
Serré
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting
Yanakis—121.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Bell
Bigg
Blackburn
Burton
Cadieu
Carter
Code
Crouse
Diefenbaker
Dinsdale
Dionne
Douglas
Fairweather
Flemming
Forrestall
Gauthier
Gilbert
Godin
Hales
Harding
Harkness
Horner
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay

Messrs:

MacLean	Rodrigue
Macquarrie	Rondeau
MacRae	Rowland
McCleave	Ryan
McGrath	Rynard
McIntosh	Schumacher
McKinley	Scott
McQuaid	Simpson
Marshall	Skoreyko
Mather	Southam
Matte	Stanfield
Mazankowski	Tétrault
Monteith	Thomas (Moncton)
Moore	Thompson (Red Deer)
Nesbitt	Valade
Nowlan	Winch
Orlikow	Woolliams
Paproski	Yewchuk—80.
Peddle	
Peters	
Ritchie	

• (4:40 p.m.)

Mr. Speaker: I declare the motion carried.

Mr. Baldwin: Mr. Speaker, I rise on a point of order to seek clarification. Now that the motion has been passed, according to the motion four sitting days shall be allotted to the further consideration in committee of the whole. I note it is almost ten minutes to five o'clock. At five o'clock there will be private members' business, and after eight o'clock we will be seeking information from the government on questions and other matters. That may leave anywhere from an hour or an hour and a quarter for further consideration in committee if the whole. I therefore seek from the Chair clarification that today is not a day within the meaning of the four sitting days as stated in the motion.

Mr. MacEachen: Mr. Speaker, I note there is a point of order here but from my point of view it would be quite acceptable, without asking the Chair to rule on the point of order, that the fourth day begin at the beginning of the next sitting.

Mr. MacInnis: When is the first day going to start?

Mr. MacEachen: Mr. Speaker, I meant to say the first day.

Mr. Speaker: Order, please. That was understood. I wonder whether the hon. member for Halifax-East Hants (Mr. McCleave) is rising on the same point of order.

Mr. McCleave: It is a different point of order, Mr. Speaker.

Mr. Speaker: The hon. member says it is a different point of order. I am not sure whether it is necessary to rule, but in view of the fact that the hon. member for Winnipeg North Centre (Mr. Knowles) indicated earlier today that his interpretation was that this meant four days beginning today, perhaps I should make a ruling. My interpretation would be that the four days would begin tomorrow. I think we could have taken up most of the day as we actually are going to do now: with the question period and routine proceedings we might well proceed through a substantial part of the evening sitting. So the four days would really be four days beginning tomorrow.

I do not know whether this is a precedent for the many instances in the future when the House will be called upon to vote on a motion under Standing Order 75C, but I would think that should be the normal interpretation of the Standing Order.

Mr. McGrath: Mr. Speaker, on the same point of order, since we are being denied the right to examine many important amendments to this bill, including amendments the government House leader introduced today, and since I have some responsibility as do other members with regard to examining this legislation for the people of Canada, I ask if the government House leader would be disposed to give consideration to extending the hours of sitting during those four days.

Mr. MacEachen: Mr. Speaker, I would be quite happy to extend the sittings in accordance with the discussions we might have among the parties, by motion or by bringing in a suggestion in the form of a house order tomorrow.

Mr. Speaker: The hon. member for Winnipeg North Centre (Mr. Knowles).

Some hon. Members: Oh, oh!

An hon. Member: Sit down.

Mr. Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, in view of the understanding the House has just reached, to the effect that the four days will begin on Friday, I was correct in my original understanding that the committee of the whole stage would end on Wednesday. The correction I made under Standing Order 37(1) was apparently unnecessary. I was right the first time.

Mr. McCleave: Mr. Speaker, in rising on a point of order I thought I would try to introduce an element of orderly consideration into the problems we face as a result of the vote. The point I wanted to make was simply that because we are faced with a rather large catalogue of tax changes, because we are faced with a rather smaller catalogue—but still pretty impressive—of the implementation of corrections and changes, and because we are now faced with four days of having to deal with these changes in committee of the whole, would it be possible to reach some kind of understanding this evening concerning a deadline in respect of notice about changes which are to be brought in?

• (4:50 p.m.)

The reason I ask is simply that at the very last moment 100 new changes might be thrown at us which we would never have the chance to consider and debate. If we could get some idea from the government as to when new changes as to co-operatives and credit unions would be brought in, at least we would know where we are going. That was my point of order.

Mr. MacEachen: I assure my hon. friend that we will produce the amendments relating to co-operatives and credit unions as soon as possible, and I will make inqui-

ries to determine whether they can be available before the weekend. If there are any other amendments, although I do not think there are, I will advise my hon. friend.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order in view of the reference made a moment ago. I wonder if it would not be more sensible if the House had the question period between 5 p.m. and 5.40 p.m., rather than going into private members' business and having the question period tonight. We could either postpone private members' hour to eight o'clock or suspend it altogether.

Some hon. Members: No.

Mr. Speaker: There seems to be no agreement in this respect. My understanding of the suggestion made by the hon. member for Winnipeg North Centre is that we dispense with private members' hour and have the question period and routine proceedings immediately. This would require the unanimous consent of the House. I will ask again whether there is unanimity in this respect.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity, so we will have to proceed with the order of business as provided by the Standing Orders.

Mr. MacDonald (Egmont): I rise on a point of order, Mr. Speaker. Earlier today, without reflecting on the move, the House adopted a motion that would cut off debate on the taxation bill by some time late Wednesday afternoon. It now appears that in so doing we were assenting to this without realizing that amendments would not necessarily be before the House today or even tomorrow. I wonder how it will be possible for us to limit debate, the subject matter of which has not yet been placed before the House or may not even be placed before us shortly before the termination of the debate next Wednesday afternoon.

Mr. Speaker: Order, please. I would have to rule, if that would answer the point of the hon. member, that it seems to me this was the purpose of the two-hour debate which was terminated by a vote. I do not think I could suggest that the result of the vote be changed on the basis of the information which has been given since then.

Mr. MacDonald (Egmont): I rise on a further point of order. I thought it was clear at the time the House leader was speaking that amendments to which he referred would automatically be tabled this afternoon. It is a difference of some magnitude that amendments which were only referred to may not even be presented when perhaps more than half the allotted time has expired, placing not just this House but thousands—indeed, millions—of people who will be directly affected by changes in this legislation in an impossible situation.

Mr. Speaker: Motions.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I gave you notice that I wanted to propose a motion. Are we still on motions or are we going to come back to them later on?

[Mr. MacEachen.]

Mr. Speaker: We will call the motions in a moment; that is the next order of the day.

MOTION TO ADJOURN UNDER S.O. 26

AGRICULTURE

LOSSES INCURRED BY CERTAIN QUEBEC PRODUCERS

Mr. Lambert (Bellechasse): I would have hoped that my notice of motion would have originated from the government.

Mr. Speaker, I ask leave, seconded by the hon. member for Portneuf (Mr. Godin), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter which gives rise to an urgent economic situation and affects a great number of people.

The loss of millions of dollars suffered by hog, egg and turkey producers represents a real disaster which will drive many of them to bankruptcy shortly if the government does not take the necessary action to remedy this situation immediately.

Mr. Speaker: The hon. member for Bellechasse has given notice to the Chair of his intention to move this motion under Standing Order 26.

The hon. member has moreover given the Chair additional information in order to underline the importance and urgency of this matter. I recognize that this is an important and urgent matter of interest, as the hon. member has said, to a great number of Canadians and obviously to all members of this House. The Chair must decide if the business of the House should be interrupted to permit consideration of the question that the hon. member has raised. He will admit that this problem is not new. In fact, during the last weeks, he has had the opportunity of bringing this matter to the attention of the House through the many questions he has directed to the responsible minister day after day. If I remember correctly, he has even proposed that this matter be referred to the Standing Committee on Agriculture pursuant to Standing Order 43.

• (5:00 p.m.)

All this indicates that this is a serious, and even urgent, situation which has existed for some time already. The hon. member suggests that action should be taken immediately to solve this problem. I do not think—and I suggest this to the hon. member with great consideration—that this is the type of question that we can, today at least, ask the House to consider under the provisions of Standing Order 26.

It may be that the situation is changing and that circumstances will become such that the Chair could be convinced by the hon. member or some of his colleagues that a debate should be held under the provisions of Standing Order 26 but, for the time being, I am not prepared to recognize that the business of the House should be adjourned for the purposes suggested by the hon. member for Bellechasse.

[*English*]

Mr. Lundrigan: Mr. Speaker, I rise on a point of order for the purpose of clarification. Yesterday the Secretary of State for External Affairs indicated he would table an important document on an agreement between Canada and Norway. Is he in a position to table this document, and would the procedure permit him to do so at this time?

Mr. Sharp: Mr. Speaker, I have the necessary documents to table. Perhaps I will get a chance before the day is out to ascertain that I have fulfilled the requirements of the hon. gentleman and then I will ask to revert to motions to table them.

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

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY

Mr. Jerome (Sudbury) (for Mr. Sulatycky) moved that Bill S-21, respecting Canadian Pacific Railway Company, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, it was not intended to proceed with this bill. As I understand it, it is to provide authority to build a short piece of railway line to a pulp mill that now is not going to be established. The explanatory note reads:

The purpose of this bill is to authorize Canadian Pacific Railway Company to construct and operate—

Here I quote from clause 1:

—a line of railway commencing from a point in the southwest 1/4 of section 15, township 59, range 14, west of the third meridian in the vicinity of Sergent, in the province of Saskatchewan, at or near mile 75.5 of the company's Meadow Lake subdivision, thence generally in a northerly direction for a distance of 62 miles more or less to a point at or near the boundary between township 68 and township 69, range 12, west of the third meridian in the vicinity of the confluence of the Beaver and Dore Rivers in the said province.

Clause 2 provides:

If the construction of the said line of railway is not commenced within a period of two years or is not completed and put in operation within a period of five years after the passing of this act, the powers of construction hereby conferred upon the company shall cease and be null and void as regards so much of the said line of railway as shall then remain uncompleted.

This piece of spur line in the Meadow Lake subdivision is to serve a pulp and paper plant to be constructed by Athabasca Forest Industries Ltd. Canadian Pacific is asking for this authority from Parliament because the power of the Canadian Transport Commission to authorize construction of branch lines is limited to lines not exceeding 20 miles in length.

It would appear that this branch line is to be built to move the products of Athabasca Forest Industries from that area to the main line. I presume this request for authorization is the result of negotiations between Canadian Pacific and Athabasca Forest Industries Ltd. This pulp and paper mill was the subject of controversy in Saskatchewan, in particular during the recent provincial election. I presume that following the change of government in Saskatchewan the project has been scuttled. It was one of the grandiose schemes of the late Mr. Thatcher, but the election has changed the circumstances relating to it and I am surprised that the sponsor of the bill has not seen fit to withdraw it.

This afternoon we had an example of the inefficiency of Parliament. Things are not done here in the manner that the man in the street would expect. They are not done as I would expect. It seems logical to me that if construction of the pulp and paper mill is not to proceed, the sponsor of the bill and the Canadian Pacific Railway Company have a responsibility to Parliament to withdraw the bill. I point out that the Senate has already held a hearing on the bill and that in fact Canadian Pacific has another bill before Parliament with respect to the building of a pipeline; in fact, that bill succeeds this one on the order paper.

I can recall when Parliament gave authorization to the Labrador-North Shore Railway Company to build a railway line in the province of Quebec. The line was to go to Ungava and was actually built from Seven Islands to Labrador City. The company refused to put the line into Wabash where another mining company had an operation under development. In fact, the railway company had its own mining operations and even though it had the right to extend the line it wished to keep competing mining companies out of the area. In other words, they did not want to live up to their responsibility as a railway company but wanted to live up to their responsibility as a mining corporation. Until they were ready to mine they did not want anybody else mining there, so although there were seven or eight major iron properties in that area the railway would not be constructed.

• (5:10 p.m.)

The clause in this bill was also in that bill. They came before Parliament at least three times and asked for an extension of five years without any intention of building the line within that time. What they did was get a licence to build it so they could keep everybody else out, which they did. After the third extension this House, in its wisdom, refused to give an additional extension to the railway.

The Wabash iron mines wanted to build a line beyond Labrador City and were told that not only would this railway company not extend the line to Wabash but they would not allow connections from Wabash to the Labrador Northshore line. There was a Supreme Court case and the decision was reached that Wabash would be given a line because they threatened to put a line of their own right down to the St. Lawrence. They were given the right to put in a line and connect to this other line at Labrador City. Northshore was instructed that they must carry the iron ore from Wabash because they were given the right to be a common carrier and therefore could not restrict anyone else from using the facilities.

Mr. Speaker, I suggest that this bill should be withdrawn. I see nothing wrong with Canadian Pacific Railway coming to Parliament and asking for the right to put in this line. However, as I understand the Railway Act

there is the restriction that is written into this bill which says that within two years you must start construction, and the line must be constructed within five years, or you must reapply for a charter to build a line of over 20 miles.

This is not a small company coming to us because they made a mistake or did not know. I am sure this railway has top advisers who can advise them of the potential of this project. I am sure they would agree, because of the fight during the election, that in the foreseeable future it is not likely there will be a pulp mill in that area. I am saying that from a political point of view. There are two sides to the question, but it seems that the problem is settled at least for the time being.

No financial institution in Canada today will allow money to be spent for a pulp mill, unless it is out of its cotton-picking mind. Probably the only people I can put into that category are those in the Department of Regional Economic Expansion who are still supporting the extension of some areas when other areas of the country are facing massive lay-offs in the pulp and paper industry. There is no market today for our pulp and paper and it is not likely that anybody except the Department of Regional Economic Expansion would even consider such a project.

I am sure Canadian Pacific Railway is aware of these facts. To be fair to the mover of this motion, Mr. Speaker, I would have thought he would have been informed that they wish to withdraw the bill and, if necessary, re-submit it. The need for this bill does not now exist.

Mr. Cadieu: How do you know?

Mr. Peters: The hon. member for Meadow Lake (Mr. Cadieu) asks me how I know. When this bill was asked for, a full-scale operation was going on for the establishment of a pulp and paper mill in that area by Athabasca Forest Industries Ltd. The hon. member knows, and I know, that as long as that project was progressing with reasonable alacrity there had to be a parallel project by the railway company to raise the financing and meet the legal requirements for the building of a spur line.

I am not suggesting that we will not have a shortage of pulp within two years or that we will not need more paper in the international field. All I am suggesting is that the development of the pulp and paper mill has to be paralelled with the spur line. If no development takes place in the industry, then there is no need for the developement of a spur line. I am sure the hon. member for Meadow Lake would not disagree that if we pass this bill, within two years the line must start and at the end of five years it must be completed. If there is no reason other than the pulp mill to put that spur line in, obviously he will not get any benefit because no trains will be running over it. I am sure that in the interests of economy and common sense he would agree with that.

If this railway is not proceeded with—and my information is that there is no intention to proceed with it—I would strongly urge that the hon. member for Meadow Lake inform this House whether there are other developments that the spur line would handle. In the explanatory note of this bill it is specifically mentioned that the purpose of establishing these 62 miles of line is to serve a pulp and paper plant to be constructed by Athabasca Forest Industries Ltd. Nothing is said about servicing the elevator in that area, and I am not familiar with its location. I must take the information that is available to me.

[Mr. Peters.]

• (5:20 p.m.)

A number of statements concerning this matter have been made by the government of Saskatchewan. It has said that it will review the matter of supplies and whether there is any possibility of success with regard to what is proposed here. Feasibility studies will be undertaken and until those feasibility studies have been completed this project will not be considered.

I am suggesting that the House should not consider this bill in a vacuum. We do not know whether this line is a feasible proposition. That being so, we should consider other pieces of legislation that are obviously more current and much more to the point.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. Before recognizing the hon. member for Meadow Lake (Mr. Cadieu) it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax-East Hants (Mr. McCleave)—National Security—Authority for payment of special force; the hon. member for Broadview (Mr. Gilbert)—Canadian National Railways—Metro Development Centre, Toronto—Alleged agreement to demolish Union Station; the hon. member for St. John's East (Mr. McGrath)—Regional Economic Expansion—Atlantic Development Council report—Inquiry as to decision on recommendations.

PRIVATE BILLS

CANADIAN PACIFIC RAILWAY COMPANY

The House resumed consideration of the motion of Mr. Jerome (for Mr. Sulatycky) that Bill S-21, respecting Canadian Pacific Railway Company, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I did not plan to speak on this bill. I thought that possibly the bill would be withdrawn. I understand that the deal for the pulp mill in question as between the Saskatchewan government and Parsons and Whitmore had not been completed when the provincial government was defeated. The present government of Saskatchewan, and Parsons and Whitmore, are still negotiating and if the line is not built within the next two years the proposition will not be considered. I do not think we should waste the time of the House discussing this matter. We do not know whether the people concerned will get together and if this line will be

built. I therefore do not see any point in taking up the time of the House on this bill.

Mr. Jerome: Mr. Speaker, I think there is a disposition in the House to pass this motion referring the bill to the standing committee and then call it six o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the point I wish to make is that I think my colleague, the hon. member for Timiskaming (Mr. Peters), is saying that the bill ought to be withdrawn. He has indicated to me that if the procedure suggested were followed the withdrawal could take place in committee. On that basis we would go along with the suggestion made by the Parliamentary Secretary to the President of the Privy Council (Mr. Jerome). It is too bad the ministers are not present, because we could hold the question period.

Mr. Haidasz: Mr. Speaker, would it be possible to proceed with Bill S-22, with the permission of the hon. member for Grenville-Carleton (Mr. Blair)?

The Acting Speaker (Mr. Laniel): Order, please. The Chair feels that the best procedure would be for the motion to be put in relation to Bill S-21. When a decision has been rendered on it, the House must decide what it will then do. Is the parliamentary secretary seeking the floor? I might say that I do not think the parliamentary secretary should seek the floor to discuss the point raised by the hon. member for Parkdale (Mr. Haidasz) because I think the two matters are not directly related.

Mr. Jerome: Mr. Speaker, it would be unfair to hon. members opposite if I did not indicate accurately my understanding with regard to this matter. A private bill is before the House. Hon. members have spoken on it. There are at least two other hon. members who are available and who will talk on it until six o'clock. They could talk it out. On the other hand, if the House gives its unanimous consent those hon. members are prepared to see the bill referred to the standing committee, to then call it six o'clock and not to exercise their prerogative of talking on the bill until six o'clock. I know that the other measure which the hon. member for Parkdale (Mr. Haidasz) referred to is important but it does not constitute part of the acknowledged agreement that was today entered into by hon. members. Going ahead with it would be unfair. As I say, hon. member are prepared to speak on the bill before the House until six o'clock, but they will exercise their option of not speaking if the bill is sent to committee. We could then call it six o'clock and leave to another day the next measure.

Mr. Knowles (Winnipeg North Centre): Agreed.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

The Acting Speaker (Mr. Laniel): Pursuant to the agreement reached by the House, I do now leave the chair until eight o'clock.

At 5.30 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

ORAL QUESTION PERIOD

INDUSTRY

CANADA-U.S. AUTO PACT—ALLEGED REQUEST OF ONTARIO FOR PRODUCTION GUARANTEES—REQUEST FOR STATEMENT BY PRIME MINISTER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Acting Prime Minister concerning the auto pact. The government of Ontario allegedly stated that the safeguards under the auto pact are essential and that, if possible, the production guaranteed to Canada should be increased. Will the government be making a statement on its position regarding the auto pact before the Prime Minister leaves for his visit with President Nixon next week?

Hon. Mitchell Sharp (Acting Prime Minister): I do not think the hon. member has quoted the Premier of Ontario correctly. At least, that is not what I understood him to say. In any event, the answer to the question is, no. The government has been negotiating an auto agreement over a period of some months and negotiations have not reached a point where the government can make a statement.

CANADA-U.S. AUTO PACT—INQUIRY AS TO AGREEMENT ON PRODUCTION GUARANTEES

Mr. Lincoln M. Alexander (Hamilton West): Can the Acting Prime Minister say whether any consensus has been reached between officials of the United States government and Canadian officials regarding the production guarantees as they now stand under the auto pact. Can he assure us that the auto pact has not been weakened?

Hon. Mitchell Sharp (Acting Prime Minister): I have not, of course, taken part in the discussions among the officials. The advice I have received is that an agreement has not been reached and, of course, they cannot reach agreement; only the representatives of the two governments can reach agreement.

CANADA-U.S. AUTO PACT—CONSULTATION WITH ONTARIO—MAINTENANCE OF PRODUCTION GUARANTEE

Mr. Lincoln M. Alexander (Hamilton West): The Premier of Ontario has asked that the Ontario minister for trade and development be given an opportunity to meet with the federal Minister of Industry, Trade and Commerce. Has that idea been taken up and is it the intention to arrange such a meeting before the Prime Minister goes to Washington?

Some hon. Members: Hear, hear!

Mr. Alexander: Mr. Speaker, I did not realize that my question was so important. I wish to thank hon. members

for that applause. In all seriousness, is there to be such a meeting and, if so, when?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): However competent he may be, the Acting Prime Minister cannot know everything that is going on. The minister seemed to imply the other day that such a meeting had not taken place. In fact, a meeting did take place between representatives of the federal government and of the government of Ontario at which the situation of the automobile agreement was received quite fully. The views of the Ontario government are well known to myself and to my department.

Mr. Alexander: Can the minister assure us that the safeguards which are so essential will be maintained and that the auto pact will not be weakened as a result of this forthcoming meeting?

Mr. Pepin: Mr. Speaker, the minister of trade and development of Ontario showed a much more sophisticated approach than the hon. gentleman does, at least in his present question. He said he was interested in the maintenance of the advantages of the automotive agreement for Canada, and we agree with him entirely in that respect.

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MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR RECONSIDERATION OF EXCLUSION OF HOSPITALS AND EDUCATIONAL INSTITUTIONS

Mr. William Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the announcement by the minister's parliamentary secretary on November 24 that the local initiatives program would exclude hospitals and educational institutions, is the minister prepared to make a statement on motions in explanation of this policy?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The reasoning is rather simple. It was thought that the likely demands for assistance under the local initiative program would be so great that some narrowing of the criteria would be desirable in order to avoid too great a flood of submissions. The objective is to provide as many jobs as possible with as little administrative delay as possible.

Mr. Knight: In view of the fact that some hospitals, such as the Weyburn Union Hospital, went to the expense of hiring architects to draw up plans in an effort to qualify under the local initiative program, is the minister prepared to reconsider the policy of excluding hospitals from the ambit of this program?

Mr. Lang: We are presently considering whether changing the criteria would improve the program. I cannot say that anything will be excluded under the terms of this review, but I must tell the House that the flood of applications at the moment is such as to justify the approach we have taken.

[Mr. Alexander.]

LOCAL INITIATIVES PROGRAM—POSSIBLE CHANGE IN CRITERIA—REQUEST FOR PROGRESS REPORT ON PROJECTS APPROVED

Mr. David MacDonald (Egmont): Since only a few projects have so far been approved, though we have now entered the month of December, and since it has not been possible to accept many projects under the criteria initially enunciated, can the minister tell us whether these criteria are to be further considered?

Hon. Otto E. Lang (Minister of Manpower and Immigration): First, I should correct the hon. member. He suggests there have been changes in the criteria governing programs. There have been no changes up to this point. I expect a great number of applications to be approved in the very near future.

Mr. MacDonald (Egmont): I did not say the criteria had been changed as yet. In view of the fact that all of the projects will not be acceptable under the original criteria, might there not be some further elaboration or restriction of the criteria? Can the minister say whether this is under consideration. Secondly, could the minister indicate when he might be able to make a further progress report, particularly on those projects that are ready to begin on the say so of the minister's department?

Mr. Lang: Mr. Speaker, I will be able, I believe, to give further information about the decisions taken very shortly. I do not expect any narrowing of the criteria in connection with the programs since within the initial criteria I believe the department can select those applications that produce the best result in terms of number of jobs created.

LOCAL INITIATIVES PROGRAM—SASKATCHEWAN PROTEST WITH REGARD TO EXCLUSION OF SCHOOL PROJECTS

Mr. John Burton (Regina East): A supplementary question, Mr. Speaker. May I ask the minister whether he has received a telegram from the minister of municipal affairs for Saskatchewan protesting the exclusion of school projects, regardless of whether they are construction projects or renovation projects, from the scope of the local initiatives program? If so, would the minister indicate his response to this representation?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I have received the telegram. It came to hand today but I have not replied to it yet.

* * *

[*Translation*]

EXTERNAL AFFAIRS

NATO MEETING IN BRUSSELS—GOVERNMENT POSITION RESPECTING REDUCTION OF FORCES

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs.

Could he say to the House whether Canada will attend the Brussels meeting next week and what position it

intends to take. Will it decide in favour of a unilateral reduction of Canadian armed forces or will it object thereto?

In addition, will Canada follow the example of the United States by maintaining its undertaking in favour of a strong Atlantic alliance?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is my hope and expectation to be in Brussels next week for the meeting of NATO powers. Perhaps my colleague the Minister of National Defence will be there, too. We have been one of the strongest advocates in NATO of mutual and balanced force reductions. We will be continuing to press for this, which involves not unilateral reductions but multilateral reductions.

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REGIONAL ECONOMIC EXPANSION

NOVA SCOTIA—REQUEST FOR DECISION ON AID TO FISH PLANTS AT MULGRAVE AND CANSO

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Minister of Regional Economic Expansion. In view of the critical economic conditions in eastern Nova Scotia caused in part by the continued closing of the Acadia fisheries plants at Mulgrave and Canso, and in view of the minister's recent visit to the area in connection with negotiations that have been going on between the minister's department, the province of Nova Scotia and the proposed operator, can the minister now inform the House when we may expect some decision on federal aid for this vital project?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, last week I met with the minister responsible for development in Nova Scotia, Mr. Fisher.

We are now reviewing the matter and I hope to make a decision within a week.

[*English*]

NEWFOUNDLAND—FEDERAL ASSISTANCE TO FISH PLANT AT BURGEO

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker, which I direct to the Minister of Fisheries. What steps is the federal government taking to assist in the reopening of the fish plant at Burgeo, which is a very important fish plant on the south coast of Newfoundland in the constituency of the Minister of Transport?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, we are looking at the matter very carefully.

Mr. Speaker: The hon. member for Gander-Twillingate.

Mr. McGrath: A further supplementary, Mr. Speaker.

Mr. Speaker: The Chair has recognized the hon. member for Gander-Twillingate. Hon. members have probably noticed that practically every member to my left is seeking the floor to ask a question. Hon. members will realize that they cannot all be recognized if there are too many supplementaries. For the moment the Chair will recognize the hon. member for Gander-Twillingate and will return to the hon. member for St. John's East in a moment.

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THE CANADIAN ECONOMY

GOVERNMENT TREND PREDICTIONS ON UNEMPLOYMENT—REQUEST FOR PUBLICATION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a brief question for the Acting Prime Minister. Can the hon. gentleman inform the House whether the government's trend predictions indicate that the seasonally adjusted unemployment rate this winter will reach 8.2 per cent with approximately 10 per cent in the province of Quebec?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I saw a reference to this in the press as well, but certainly this is not any seasonally adjusted expectation.

Mr. Lundrigan: Mr. Speaker, in view of that response and the response of the Minister of Finance, who I believe said "nonsense" when I asked my question, can the Acting Prime Minister or the Minister of Finance indicate whether they have made any trend predictions and, if so, have enough confidence in them to make them public?

Mr. Sharp: No, we have not been making our forecasts, which we make for internal purposes, public. We hope that they are fairly accurate but we have no intention of publishing them.

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EXTERNAL AFFAIRS

TABLING OF SEALING TREATY WITH NORWAY AND EXCHANGE OF NOTES ON FISHING PRACTICES

Hon. Mitchell Sharp (Acting Prime Minister): While I am on my feet, Mr. Speaker, I said a little earlier that I should like to take the opportunity of tabling some documents that had been requested. Might I have permission to do so now?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Sharp: Mr. Speaker, I should like to table copies of an agreement between the government of Canada and the government of Norway on sealing and the conservation of seal stocks in the northwest Atlantic, dated July 15, 1971; and also an exchange of notes between the government of Canada and the government of Norway constituting an agreement with respect to Norwegian fishing practices off the Atlantic coast of Canada of the same date.

Mr. Lundrigan: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member is rising on a point of order.

Mr. Lundrigan: In view of the fact that no statement was made on motions on the tabling of this document, which is an agreement between Canada and Norway that permits

the country of Norway to violate our territorial seas nine miles off our coast, I wonder whether it would be in order to ask Your Honour if unanimous consent could be given to permit comments on the tabling of the document.

Mr. Speaker: Order. Do I understand that the hon. member is asking leave to have the document appended to *Hansard*? Is that his request?

Mr. Lundrigan: Mr. Speaker, in view of the importance of the document, I think some hon. member on this side of the House should be permitted, by unanimous consent, to respond to this violation of our territorial seas resulting from this agreement.

Mr. Speaker: Order. What the hon. member is asking for is a debate. He can do that only if the House reverts to motions and a statement is made. Does the House give unanimous consent to reverting to motions?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member for Greenwood.

Mr. MacInnis: A point of order, Mr. Speaker.

Mr. Speaker: Order. I have to recognize the hon. member on a point of order.

Mr. MacInnis: Mr. Speaker, my point of order stems from the statement made this afternoon by the Acting Prime Minister to the effect that later today he would ask permission to revert to motions in order to table a document. The very minister who made that promise is now refusing to carry it out.

Mr. Speaker: The hon. member for Greenwood.

GREECE—REQUEST THAT CANADA JOIN DENMARK AND NORWAY AT NATO MEETING IN SEEKING RESTORATION OF FREE INSTITUTIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. In light of the inconsistency between the declared purposes of NATO, which include strengthening free institutions, and the practices of the Greek military dictatorship, will Canada at the forthcoming session of the NATO council join with Denmark and Norway in seeking action for the restoration of free institutions in Greece?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it is not the intention of the Canadian government to use the NATO forum for this purpose. We have made our views known directly to the government of Greece, but not in the council of NATO.

• (8:20 p.m.)

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct a question to the Acting Prime Minister.

What ministers will accompany the Prime Minister on his visit to the President of the United States early next week?

[Mr. Lundrigan.]

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is my understanding that the Minister of Finance and the Minister of Industry, Trade and Commerce will be accompanying the Prime Minister to Washington.

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[*Translation*]

INDUSTRY

POSSIBILITY OF SELLING CL-215 AIRCRAFT TO UNITED STATES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary.

I thank the Acting Prime Minister for informing the House that the hon. Minister of Industry, Trade and Commerce (Mr. Pepin) will be accompanying the Prime Minister of Canada on the occasion of his meeting with the President of the United States.

Does the Minister of Industry, Trade and Commerce intend to promote sales to the United States of Canadair CL-215 amphibian aircraft in order to stimulate the aircraft industry in Canada and thus avoid lay-offs at Canadair?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the federal government's endeavours in behalf of the company involved are well known and should the United States government need that type of aircraft I shall promote them.

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[*English*]

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—INQUIRY AS TO EFFECTIVE DATE OF PROPOSED INCREASES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question was to be directed to the Minister of National Health and Welfare, who is supposed to be in the House, but in his absence I will direct it to the Acting Prime Minister. In view of the poverty that exists in this country today, could the Acting Prime Minister assure the House that the increases in benefits under the family allowance program will be effective by May 1, 1972, as proposed by Bill C-264?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would be the last to try to prophesy what will happen in this House. Certainly, the government would like to proceed with this legislation but, as you know, unless it uses extreme measures it cannot always get its way.

Mr. Marshall: A supplementary question. I can assure the Acting Prime Minister that if this Bill C-264 came before the House—

Mr. Speaker: Order, please.

NATIONAL DEFENCE

CANADA-U.S. PRODUCTION SHARING AGREEMENT—REQUEST FOR TABLING OF 1963 AGREEMENT ON MAINTENANCE OF DOLLAR BALANCE

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is directed to the Minister of Industry, Trade and Commerce. The day before yesterday, the minister attempted to respond to the right hon. member for Prince Albert who had asked him whether he would consider tabling the documents signed by the present President of the Treasury Board on June 7, 1963 with respect to production sharing, research and development with the United States, before he goes to that country this weekend?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): By the way, I am still waiting for my $10 bet multiplied by two from the hon. member for Prince Edward-Hastings.

Some hon. Members: Hear, hear!

Mr. Pepin: With regard to the question, there is a motion for the tabling of papers, motion No. 264 if my memory serves me well, which will provide an opportunity for the opposition, and the member who presented the motion, to demonstrate to the House and to the Canadian public that it would be in the national interest to table the document referred to now. I am waiting to hear these arguments.

Mr. Forrestall: A supplementary question. Do I gather from the minister's response that a secret document or secret understanding does exist between Canada and the United States with regard to the maintenance of the dollar balance, the exchange of arms and a research and development program?

Mr. Pepin: Mr. Speaker, the opposition is looking for leaks and secrets at the moment. I do not have to treat this as secret because it was fully reported in the House by the then Minister of Defence Production, now the President of the Treasury Board—

Mr. Forrestall: It was not.

Mr. Pepin: —on June 7, 1963. I will give the hon. member the page number in *Hansard*.

Mr. Forrestall: I read it.

Mr. Speaker: Order, please. The hon. member for Meadow Lake. Is the minister rising on a question of privilege?

Mr. Pepin: I rise on a question of privilege to defend the position of the President of the Treasury Board.

Mr. Forrestall: Defend your own position.

Mr. Pepin: Anyone who looks at *Hansard* for June 7, 1963—

Mr. Forrestall: I have.

Mr. Pepin: —will see—

Mr. Speaker: Order, please. That is not a question of privilege. It is debate between a member and a minister. The Chair has recognized the hon. member for Meadow Lake.

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AGRICULTURE

FEEDER CATTLE—REQUEST FOR INVESTIGATION OF DEATH OF ANIMALS IN TRANSIT AND COMPENSATION FOR OWNER

Mr. A. C. Cadieu (Meadow Lake): My question is for the Minister of Transport. In his absence, I will direct it to his Parliamentary Secretary. It concerns agriculture, but that minister is not present either. Out of two recent shipments of feeder cattle from Alberta, one of 700 head from Fort Macleod and the other approximately 900 head from Brooks, Alberta, by Canadian Pacific Railways, approximately two dozen head died. Agriculture officials checked and found that the animals did not die from any disease. The explanation of the CPR is that because of a heavy snowfall in Winnipeg, the cattle did not get enough feed, water and rest at that point. Is the minister investigating why these feeder cattle did not receive sufficient feed, water and care in Winnipeg, as a result of which they died en route to Toronto?

Mr. Speaker: Order, please. Can we assume that the question has been asked? If the hon. member wants more information, he can ask a supplementary. The minister might be allowed to reply to the first part of the question.

Mr. Cadieu: A supplementary question. Will the minister ensure that the investigation is made public and that complete compensation will be provided to the owners?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the department has recently been informed of this problem. We are investigating the whole matter. If necessary, we will make a report in the House in due course.

Some hon. Members: Hear, hear!

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THE CANADIAN ECONOMY.

ALLEGED AGREEMENT OF UNITED STATES TO DEVALUE DOLLAR—REQUEST THAT CANADIAN DOLLAR CONTINUE TO FLOAT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I wish to direct a question to the Minister of Finance. In doing so, may I welcome him back from the IMF conference in Rome. In view of the fact that reports from the conference indicate that the government of the United States may agree to devaluation of the American dollar by 5 per cent or more, will the minister assure the House that the Canadian government will not peg the Canadian dollar at its present level, but will allow it to float in accordance with the international currency market?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, a great many propositions were put forward in Rome and considered by the ministers of finance and governors of banks who were present. I stated our position quite clear-

ly, that we felt the Canadian dollar should continue to float and that Canada had taken a great deal of the burden with respect to the adjustment of the United States dollar through the floating of the Canadian dollar, that we had taken our knocks so to speak, and the Canadian dollar should continue to float.

Some hon. Members: Hear, hear!

UNITED STATES IMPORT SURCHARGE—PRECONDITIONS FOR REMOVING

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question. In view of the fact the Secretary of the Treasury, Mr. John Connally, at the conference in question apparently outlined some of the preconditions for removing the 10 per cent surcharge on imports into the United States, may I ask the Minister of Finance if he is now in a position to tell the House what those preconditions are and if he will be prepared to make a statement fairly soon as to Canada's reaction to those preconditions?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think the preconditions have been indicated many times before, starting with the statement of the President of the United States on August 15 where he said there must be an adjustment on currency values vis-à-vis the United States dollar, there must be some adjustments on the burden sharing and some relief on trade barriers. We took the position from the beginning, and we continue to adopt the position, that all of the conditions mentioned by the President of the United States have been fulfilled by Canada long ago and that we should not be subject to the surcharge.

DISC PLAN—SUGGESTION THAT PRIME MINISTER EXPRESS CANADA'S OPPOSITION

Mr. Steven E. Paproski (Edmonton Centre): I wish to direct a supplementary question to the Acting Prime Minister. In light of the fact the Minister of Finance has agreed that the DISC plan may be of unparallelled danger to the Canadian economy, can the Acting Prime Minister assure the House that the Prime Minister will express Canada's opposition to this program and will urge President Nixon to not proceed with this measure?

Hon. Mitchell Sharp (Acting Prime Minister): The answer to that is yes, Mr. Speaker, but of course we have many times expressed this point of view to the United States administration.

LEVEL OF CANADIAN DOLLAR—ACCEPTANCE OF CANADIAN POSITION BY UNITED STATES

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to ask the Minister of Finance whether the view he has expressed with regard to the Canadian economy—

Mr. Guay (St. Boniface): Stand up straight.

Mr. Stanfield: Perhaps I should ask the hon. member for St. Boniface to stand up and leave, but that is not my privilege.

[Mr. Benson.]

Some hon. Members: Hear, hear!

Mr. Stanfield: I ask the minister whether he has put forward the thought that the Canadian dollar has already been adjusted to the extent of between 7 per cent and 8 per cent and this is all the Canadian people should be expected to take in the way of knocks? Has this view been accepted by the representatives of the United States in these discussions?

• (8:30 p.m.)

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as I indicated earlier many propositions are before the group of ministers. These propositions are being considered. Indeed, perhaps I might say the Canadian public has taken too many knocks in respect of the adjustment of the United States dollar.

Mr. Stanfield: Perhaps the minister did not understand my question. I asked him whether the representations he had made with regard to the relationship between the Canadian dollar and the United States dollar had been accepted. Have the views expressed by the minister been accepted by the United States authorities? That lends itself to a yes or no.

Mr. Benson: They have been made quite clear to the United States authorities. As I said earlier there are many propositions before the group of ministers, the Group of Ten, and they are all being considered at the present time, but no decisions have been made.

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FINANCE

MEETING OF GROUP OF TEN AT ROME—REQUEST FOR STATEMENT ON RESULTS

Mr. J. P. Nowlan (Annapolis Valley): I have a question, for the Minister of Finance. Does the minister intend to make a statement on motions tomorrow on the result of the meetings of the Group of Ten and, if not, why not?

Hon. E. J. Benson (Minister of Finance): I will consider this. I am not sure it is necessary. The meeting has been fully recorded in the press. I will consider the suggestion of the hon. member.

Mr. Speaker: The hon. member for Calgary North.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, the question I was about to ask of the Minister of Finance has already been put to him.

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EXTERNAL AFFAIRS

FISHERIES TREATY WITH NORWAY—INQUIRY AS TO RATIFICATION BY PARLIAMENT

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs by way of clarification. With regard to the document he tabled a little while ago, to which he referred as an agreement, can the minister say if that is

what it is or is it a treaty which requires ratification by this Parliament before it comes into effect.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, there were two documents I tabled. One is a treaty. I described it as an agreement, and it is so described, but it is a treaty and will require ratification. It is not the intention of the government, however, to present it before Parliament. The hon. member knows, having been a member of a previous administration, that it is only rarely such a document is brought before Parliament before ratification by the government.

Mr. Lundrigan: Mr. Speaker, I have a very serious question of privilege which I should like to raise, and which will take five or six minutes, rather than wait until the end of the question period. It relates to the secret treaty which has been made between Canada and Norway.

Mr. Speaker: The hon. member cannot take up too much time on a question of privilege. If he has a question of privilege, I shall be delighted to receive it.

Mr. Lundrigan: Mr. Speaker, on July 15, 1971 a secret document was exchanged between the government of Canada and the government of Norway which, if ratified, would permit Norway legally to pursue a course which has not been pursued since the 18th century. It would permit Norway to violate the territorial seas of Canada. Perhaps I might quote from article XII of the terms of the treaty.

Some hon. Members: Oh, oh.

Mr. Lundrigan: Perhaps hon. members who are not interested in the sealing operation would pay a little attention to the sovereignty of the nation—

Some hon. Members: Oh, oh.

Mr. Speaker: Perhaps hon. members would allow the hon. member for Gander-Twillingate to indicate what his question of privilege is.

Mr. Lundrigan: Perhaps I might quote, in part, from Article XII of the terms of the treaty:

> —Norwegian vessels engaged in sealing operations are allowed, notwithstanding the provisions of the Exchange of Notes between the Government of Canada and the Government of Norway of July 15, 1971, to take seals
>
> (a) within the outer nine miles of the territorial sea on the Atlantic coast of Canada between 48° 00' North latitude and 55° 20' North latitude, and
>
> (b) up to but not closer than three miles from the nearest land—

Mr. Speaker: Order, please. The hon. member should indicate quickly what his question of privilege is. As the hon. member knows he has to indicate how his Parliamentary rights and privileges, as well those of the Parliament of Canada, have been affected by the tabling of this document or the signing of a treaty. I would like him to indicate his question of privilege.

Mr. Lundrigan: Mr. Speaker, if I might be allowed one tenth the latitude allowed members such as the hon. member for Winnipeg North Centre, then I will get around to my question of privilege. The treaty continues:

> —in all the waters of Notre Dame Bay and of the Strait of Belle Isle—

Further, it indicates briefly that either party may terminate this agreement upon three years' notice in writing. However, no such notice shall be given by either party before December 31, 1975. It is signed for the government of Canada by Mr. Beasley and for the government of Norway—I cannot pronounce the name.

In view of the remark made by the Secretary of State for External Affairs, it is clear that this matter, the secret treaty, would never have been made public but for some loyal people who were willing to offer a service to members such as the hon. member for Prince Edward-Hastings and others. Because of the fact the minister indicated this treaty will not be brought before Parliament, and in view of the urgency and the principle involved in the document concerning the conservation of the marine resources of Canada, an important aspect of the Canadian economy, I feel it is incumbent on the minister or on the Minister of Fisheries, who we have felt up to date has been fairly loyal to our cause, to have this document referred to the House of Commons for debate and further to the Standing Committee on Fisheries and Forestry. I would move such a motion.

Mr. Speaker: Order, please. The hon. member cannot, during the question period, rise and propose a motion. The hon. member has taken the floor on a question of privilege and has stated his point clearly. The Chair has to rule concerning whether there is a question of privilege. Obviously, in my interpretation of parliamentary privilege, the parliamentary privilege of the hon. member has not been injuriously affected. The matter to which the hon. member referred may be very important, but I really suggest to him and to all hon. members, it can hardly be considered by way of a question of privilege. Perhaps some other way might be determined in which the situation could be considered by the House.

Mr. Lundrigan: I thank Your Honour for his statement. I give oral notice now, and shall give written notice tomorrow, of my intention to move a motion asking for unanimous consent of members of the House to refer this matter to the Standing Committee on Fisheries and Forestry.

Mr. Speaker: The hon. member does not have to give verbal notice. He can give his notice tomorrow and I assure him that it will be considered, as it ought to be.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether this agreement has been ratified yet and if not when is ratification likely to take place.

Mr. Sharp: Mr. Speaker, the ordinary procedure in agreements of this kind is not to make them public until they come into force; that is, after ratification. In this particular case it became public because the Norwegian government, in the course of its procedures for ratification, released the text so I felt we were privileged to release it too. It would be our intention to ratify it immediately.

An hon. Member: It is already ratified.

Inquiries of the Ministry

FISHERIES TREATY WITH NORWAY—REQUEST FOR OPPORTUNITY TO DISCUSS TERMS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in view of the importance of this treaty, several facets of which have been mentioned already, and in view of the fact that it will permit the annual seal massacre to take place until at least 1978, can the minister assure the House that an opportunity will be given to Parliament to discuss the terms of the treaty before this licence to further decimate our wildlife is made final?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am not sure the hon. member has in mind the same reasons the hon. member for Gander-Twillingate has in mind in raising the question. There might be an opportunity at some time to have a discussion of this matter such as during consideration of the estimates of the Department of Fisheries and my department. There will be plenty of opportunities. We have nothing to hide about this agreement.

FISHERIES TREATY WITH NORWAY—REQUEST FOR STATEMENT BY MINISTER

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the importance of the matter and the very serious questions raised thereto by the hon. member for Gander-Twillingate, and since the minister says he has nothing to hide, will the minister give a statement to the House tomorrow on this treaty?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I am certainly prepared to issue a statement on this subject.

Mr. McGrath: A supplementary question—

Mr. Speaker: Order, please. I will recognize the hon. member in a moment.

The hon. member for Gaspé.

• (8:40 p.m.)

Mr. McGrath: I rise on a point of order, Mr. Speaker—

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

Mr. Speaker: The hon. member will have to wait a little.

[*English*]

The hon. Member for St. John's East is rising on a point of order.

Mr. McGrath: May I say with respect, Mr. Speaker, that I directed my question to the Secretary of State for External Affairs who still has the responsibility of the House for international treaties. I asked the Secretary of State for External Affairs whether he would make a statement on this treaty, not the Minister of Fisheries.

[*Translation*]

Mr. Cyr: Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

Mr. Speaker: Order. I will come back to the hon. member in a few moments.

[Mr. Sharp.]

[*English*]

I will return to the hon. member for St. John's East in a moment, but at this time we have a question of privilege.

Mr. Lundrigan: The minister has indicated to the House that the secret treaty of July 15 has not been ratified. I am not multilingual, but I have a document in my hand which refers to the accord between Canada and Norway and which is signed by the minister's own "expert" in external affairs, Mr. Allen Beasley. What does that mean?

Mr. Speaker: Order, please.

* * *

[*Translation*]

CONSUMER AFFAIRS

STEINBERG'S—INQUIRY AS TO RELATIONSHIP BETWEEN INCREASED PROFITS AND PRICES

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs.

Considering the announcement made today by Steinberg's Company to the effect that their profits for the last quarter are higher that expected, does the minister intend to ask for an investigation in order to determine whether the enormous profits made in 1971 by that chain store have contributed to the increase of consumer prices?

[*English*]

Hon. Ron. Basford (Minister of Consumer and Corporate Affairs): I have not seen those reports, but I will have a look at them to see whether there is any correlation between the profit level and price levels. I would point out to the hon. member that there are many reasons for profit increases, including the efficiency of the operators of the firm, and that there is not necessarily any correlation between the two levels.

* * *

IMMIGRATION

REQUEST FOR TABLING OF WHITE PAPER

Mr. William Skoreyko (Edmonton East): My question is for the Minister of Manpower and Immigration. Can he tell the House if and when he will be tabling the white paper on immigration which I believe he promised the House last spring.

Hon. Otto E. Lang (Minister of Manpower and Immigration): The discussion that has taken place in the House has generally been about the changes to the immigration law, with some comments about the reference in a previous Speech from the Throne to a policy paper. We have been working toward the final version of these matters. I cannot put a precise date as to the tabling or first reading, nor can I predict whether it will happen in the remaining short portion of this session or the next session.

NUMBER OF ALIENS IN CANADA ILLEGALLY—REQUEST FOR LEGISLATION TO REMEDY SITUATION

Mr. William Skoreyko (Edmonton East): In view of the fact that there are some 7,500 cases pending before the

Immigration Appeal Board and allegedly 200,000 aliens living in Canada illegally, will the minister table a white paper on immigration as quickly as possible, if he has one, or bring in legislation to curb this kind of activity?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The proposed amendments to the immigration law will, of course, attempt to deal with the administrative difficulties which exist. I must say, however, that the suggestion of 200,000 illegal immigrants is complete guesswork.

REGULATIONS COVERING EMPLOYMENT OF ARTISTS—REQUEST FOR CHANGE

Mr. Mark Rose (Fraser Valley West): I have a supplementary question for the Minister of Manpower and Immigration. He has indicated to the House that it might be some time before there are substantial changes made to the Immigration Act. I have been after the hon. gentleman for some time about changes in the regulations which would allow reasonable reciprocity in terms of temporary employment of artists, and men in other vocations, in Canada under the present regulations, but who are denied similar privileges—

Mr. Speaker: Order, please. Will the hon. member ask the question. It is a complicated question, if it is a question.

Mr. Rose: I was trying to lay the basis for my question, Mr. Speaker. I should like to ask the minister now whether he can give the house some indication when he might use his authority to alter the regulations to prevent this kind of loophole which is causing considerable difficulty among Canadian creative people.

Hon. Otto E. Lang (Minister of Manpower and Immigration): What the hon. member regards as loopholes some other people at least do not, but we are looking at the question of what we can do under the existing legislation, and there is certainly a possibility that we may attempt to proceed with changes in the regulations prior to the enactment of legislation.

Mr. Speaker: Order, please. We have just about reached the end of the question period. Perhaps we might try to have two or three more questions before the end. I doubt that we will have time for further supplementary questions on this subject.

Mr. Rose: Mr. Speaker, I rise on a point of order. The same answer has been coming from the minister for possibly two years. He has been looking at it for two years. When will he bring in the regulations?

Mr. Speaker: Order, please.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—APPLICATIONS FROM MUNICIPALITIES—NUMBER OF JOBS CREATED

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Minister of Manpower and Immigration.

Would he tell the House how much use is made of the Local Initiatives Program? Are the municipalities taking advantage of the benefits offered by the government? Are many jobs created through those programs?

[*English*]

Mr. Speaker: The minister may reply briefly to the question. Because it is so general in nature, it seems to me that it should be answered by way of a statement on motions. However, if the minister can reply to it quickly, we will go on to the next question.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, perhaps in due course I will be able to give a report which would be more satisfactory to the hon. member.

* * *

CAPE BRETON DEVELOPMENT CORPORATION

INQUIRY AS TO EFFECTIVE DATE FOR PAYMENT OF RETIREMENT ALLOWANCES

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a question for the Minister of Regional Economic Expansion. In 1967 Parliament passed legislation setting up the Cape Breton Development Corporation, section 18 of which dealt in part with former employees.

Mr. Guay (St. Boniface): Don't read.

Mr. MacInnis: I knew that somebody would fall for it some day. This is a blank piece of paper. It would be the hon. member for St. Boniface who would open his big mouth at the wrong time. This is a blank page.

Section 18 of that act dealt with a portion of the petition placed before Parliament.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. I suggest that hon. members should give the hon. member an opportunity to ask his question and then give an opportunity to the minister to reply. The hon. member for Cape Breton-East Richmond has the floor.

Mr. MacInnis: The subject matter of section 18 in the petition placed before Parliament was studied by the Committee on Justice and Legal Affairs. My question to the minister is as follows: Now that the Devco authorities have partially complied with section 18 A(ii) of the act, can the minister indicate whether the allowances which have been increased to $75 a month, less the Canada Pension Plan payments, for over 40 years of service will be retroactive to the date the legislation came into force or will they be paid on the basis of the dates of the individual retirements?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I suppose the hon. member is asking me for a legal opinion, and I cannot give it at this time.

Mr. MacInnis: I rise on a point of order, Mr. Speaker. I take strong exception to the minister stating that I am asking for a legal opinion from him or, for that matter, from anybody on the government side. He and I know it is

against the rules of the House to ask for a legal opinion. All I am asking the minister is whether section 18 A(ii) of the act will be complied with. Will the moneys be paid as of the date when the act came into force or will they be paid on the basis of the date of the individual's retirement?

Mr. Marchand (Langelier): May I take the question as notice and answer it later on.

Mr. Speaker: Is the hon. member rising on a supplementary question? We have just about reached the end of the question period. The hon. member may ask a supplementary question.

• (8:50 p.m.)

Mr. MacInnis: On a question of privilege, Mr. Speaker, hon. members opposite are hollering and screaming to the effect that I want a legal opinion. I have been perfectly satisfied—in fact, more than satisfied—with the findings of the Justice and Legal Affairs Committee which was chaired by an hon. member of the party opposite and manned by 12 members of that party. All I ask of the minister as a supplementary question is: After looking at this legislation, will he instruct Devco to assure the dependants of former miners of their rightful payments under the legislation?

Mr. Marchand (Langelier): Mr. Speaker, I just said that I am taking the question as notice.

Mr. MacInnis: Mr. Speaker—

Mr. Speaker: The hon. member for Greenwood. I will try to recognize another hon. member before the end of the question period.

* * *

IMMIGRATION

GOVERNMENT WHITE PAPER OF 1966—INQUIRY AS TO LEGISLATIVE PROPOSALS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration. It arises out of previous questions when there was some suggestion about introducing a new white paper on immigration. Has the minister any plans to introduce legislation to carry out the proposals that appeared in the government's white paper of 1966?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, in reviewing the possible amendments to the Immigration Appeal Board Act, we have also been taking into consideration changes that might be made in the Immigration Act, some of which might deal with matters raised in the white paper to which the hon. member refers.

* * *

TRADE

EUROPEAN COMMON MARKET—GOVERNMENT EFFORTS TO MAINTAIN AGRICULTURAL EXPORTS

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. In view of the fact that the United States, New Zealand and Australia are making strenuous efforts to maintain agricultural exports, particularly grain, to European Common Market countries, what steps is Canada taking to protect its grain export interest in this area?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I know the United States is trying to reach agreement with the European Economic Community on grains, and if such agreement is reached we will of course ask to be part of it.

Mr. Speaker: Orders of the day.

Mr. Paproski: On a point of order—

Mr. Speaker: Order, please. I note there are a number of points of order and questions of privilege that hon. members wish to raise. I will recognize the hon. member for Gander-Twillingate first on a question of privilege.

Mr. Lundrigan: Mr. Speaker, yesterday I raised a question with regard to the tabling of a sealing treaty between Norway and Canada, and the Secretary of State for External Affairs agreed to table it. After the time for motions had passed today I again raised the matter and the Secretary of State for External Affairs indicated he would table it later today. Tonight, after making a response to a question, he did table the document. I then rose and asked for the unanimous consent of the House—which might or might not have been in order—so that I or somebody else on this side could respond to the document which was tabled. We were denied that privilege. I have in my hand a copy of a press release which was issued on December 2—

Mr. Speaker: Order, please. I have to inform the hon. member that the rules of the House apply to him also. I have twice ruled that he has no question of privilege. He puts the Chair in a very difficult position. I would invite him to say immediately what his question of privilege is, and then allow me to make a ruling on it.

Mr. Lundrigan: Mr. Speaker, there is a rule in the House of Commons which allows ministers to make statements on motions and spokesmen for opposition parties to respond to them. I have in my hand what is in fact a statement made outside the House.

Some hon. Members: Oh, oh!

Mr. Lundrigan: The statement was made this very day after the minister came into the House. Before that it was presented to the press. It is a fairly succinct statement which gives the details of the document which was tabled. Because the minister, outside the House, presented this fairly detailed statement to the media of the country, he has denied the right of members of this party to make representations on behalf of the Canadian people.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Mr. Speaker, he has not only denied the right of hon. members here but has denied that right to every Canadian on the east coast of Canada—and I only hope that all Canadians who are interested in marine

resources will speak out. I do not know what Standing Order I can quote in order to justify that I have a question of privilege, but if the Standing Order which enables ministers of the Crown to make statements on motions is to be abused by presenting this kind of statement outside the House, thus circumventing our rights, we might as well eliminate the procedure for statements on motions and enable hon. members when important documents are subreptitiously brought before the House—

Mr. McIlraith: Explain.

Mr. Lundrigan: —to present the points of view, briefly and succinctly, of Canadians who are affected. The behaviour of this minister, which is reflected throughout the whole cabinet, is part of a process to downgrade Parliament and is preventing us from presenting the views of the people whom we represent.

Mr. Speaker: Order, please.

Mr. Paproski: Mr. Speaker, I rise on a point of order. The Minister of National Health and Welfare was not in his seat during the question period. He has just arrived in the chamber. He will not be here tomorrow, and I would like to pose a question to him which is very urgent because there is a deadline of December 8—

Mr. Speaker: The hon. member could do this with unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. I have to draw to the attention of hon. members that I extended the question period by a few minutes to take into account the fact that we had a number of points of order and of privilege. As I say, I tried to take this into account by extending the question period. That period of our activities ended 15 minutes ago, and I think this has been a rather generous extension.

Mr. Paproski: Thank you, Mr. Speaker. I will ask—

Mr. Speaker: Order, please. The hon. member will have noticed that I asked whether there was unanimous consent to prolong the question period, and there was not unanimity.

Mr. Paproski: Then I rise on a point of privilege, Mr. Speaker. I am not going to say that the roster system has gone to hell; but this is a very important matter. There is a deadline so far as having a team in the 1972 Olympics. That deadline closes on December 8. There is still a possibility for us to enter the 1972 Olympics with a national team. All I want to do is ask the minister a question.

Mr. Speaker: Order, please. I think the hon. member—

Mr. Paproski: The hon. member for Northwest Territories said no.

Mr. Speaker: Order, please. My impression is that the hon. member has pleaded his case with eloquence. If there is agreement to extend the question period, the hon. member might be allowed to put his question.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Order, please, I regret there is not consent.

Mr. Alexander: On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. May we have order, please. The Chair is not getting assistance from either side of the House. I am trying to do a job on behalf of members of the House. If members think the House should not be sitting, there are provisions under the Standing Orders which would allow the Chair to take into account the fact that there is not the order that there should be in the House. The hon. member for Hamilton West.

Mr. Alexander: With all due respect, Mr. Speaker, perhaps the hon. member for Northwest Territories did not notice that the Minister of National Health and Welfare had given his consent with respect to answering the question. I am sure that if the hon. member had noticed this, no objection would have been raised. As the Minister of National Health and Welfare wishes to allow this very important question, I would hope that agreement will come from the other side of the House.

Mr. Speaker: Order, please. I suggest to hon. members that we should not spend the rest of the evening trying to ascertain whether a question can or cannot be asked. The hon. member for St. John's East.

Mr. McGrath: Mr. Speaker, I rise on a point of order. During the question period I asked the Secretary of State for External Affairs whether he would make a statement on a treaty, the contents of which he tabled tonight. The Secretary of State for External Affairs permitted the Minister of Fisheries to reply to the question. The Minister of Fisheries circumvented the rules of the House by saying yes, he would issue a statement. Coincidentally with the minister saying that, a statement was issued and circulated to members of the House and to the press.

• (9:00 p.m.)

Some hon. Members: Order.

Mr. McGrath: Mr. Speaker, I object to this circumvention of the rules and practices of the House. It is incumbent upon the Secretary of State for External Affairs to make a statement in the House on this very important treaty, thereby enabling all hon. members to respond to his statement. I object to the procedure that has been followed tonight. The rules have been circumvented by the Minister of Fisheries in issuing this statement to the press before a statement was made to the House.

Mr. Sharp: On the point of order, Mr. Speaker, may I draw the attention of the House to *Hansard*, page 10067, where there is recorded a question put to me by the hon. member for Gander-Twillingate. He asked: "Will the minister table that document and when?" I complied with the request of the hon. gentleman.

An hon. Member: Why are you afraid to make a statement on this?

Mr. Speaker: Order, please. Is the hon. member rising on a point of order?

Mr. MacInnis: The Secretary of State for External Affairs—and a check of the "blues" will bear me out—this afternoon in answer to the hon. member for Gander-Twillingate said that later today, or some time during the day, he would be prepared to revert to motions to make such a statement.

Some hon. Members: No, no!

Mr. MacInnis: Tonight the minister is the very person who is refusing—

Mr. Speaker: Order, please. This point has been made on a number of occasions over a period of 30 minutes of the time of the House.

Mr. Paproski: I rise on a question of privilege, Mr. Speaker. I should like to know why the hon. member for Northwest Territories refuses to let me speak about our national game and about entering a team into the 1972 Olympics. This is my question of privilege.

Mr. Forrestall: I want to know, too.

An hon. Member: He is against it.

Mr. Speaker: Order, please. The hon. member for Northwest Territories rises on a question of privilege.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Orange: With the greatest respect, Mr. Speaker, if the hon. member across the way could say something intelligent, I would try—

Mr. Speaker: Order, please. I suggest to hon. members that we are sinking lower and lower. I really do not think we should continue in this vein. Orders of the day.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed from Wednesday, December 1, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon amendments to that act—Mr. Benson—Mr. Honey in the chair.

The Chairman: It is my understanding that the committee will now resume consideration of sections 21, 35, 46 to 48 inclusive, 59, 64 to 66 inclusive, 87 and 124 dealing with mining and petroleum.

On clause 1—section 21: *Cost of borrowed money.*

Mr. Woolliams: Mr. Chairman, before I speak on the resource industries so far as the tax bill is concerned I have a question for the parliamentary secretary. I know he is as interested as I am in the development of our resource industries, particularly because he comes from Alberta. Would he take a few moments this evening to compare the depletion changes in the new bill and what they do to the former act having regard to the depletion allowances in the United States?

I ask this question in all seriousness because I have in my hand the reasons for the decision of the National Energy Board. At page 59 appears the information that the reserves of proven resources of natural gas in Canada—and that means western Canada—are 60.3 trillion cubic feet. Ten years ago, when the Borden commission made its report, the proven resources of natural gas were approximately 23 trillion cubic feet.

The demand in Canada is less than the supply asked for by the United States at the present time, which is approximately 2.7 trillion cubic feet. The decision to turn down those licences by the board is such that there is concern about Canada's needs in the domestic and industrial fields for the foreseeable future. They do not think we have enough proven resources. I come back to the question. The National Energy Board seems to have ignored—Mr. Chairman, if the Secretary of State wants to hold a meeting on B and B, why doesn't he go outside the chamber to do it?

Some hon. Members: Hear, hear!

An hon. Member: That's a good idea.

The Chairman: Order, please. I have a great deal of sympathy for the hon. member who has the floor. There is in my opinion, far too much discussion in the committee. If hon. members have other things to do than in the committee, they should do it behind the curtains.

Mr. Woolliams: This bill is so complex that nobody understands it. I am about to put a few questions to the parliamentary secretary to find out what the bill is really about—but these ministers brought in closure this afternoon and all they do is hold council meetings about their own matters.

I will come back to the subject matter. In light of the fact that the National Energy Board did not appear to take into consideration the reserves that will be determined by future exploration, and that it has been suggested by the resource industry that the bill seems to be killing exploration and that two-thirds of the industry and operators in Alberta are now idle because of the decision of the National Energy Board, let me ask the parliamentary secretary to summarize the new depletion allowance provisions in the tax bill. Will he compare them with the previous provisions and tell us what difference they will make to the industry, and compare them with depletion allowances in effect in the United States?

• (9:10 p.m.)

Mr. Mahoney: Mr. Chairman, I will be delighted to comply with the hon. member's request in all respects except one. I am not prepared, without notice, to compare the system in Canada with that existing in the United States. This is Canadian tax law and I am not entirely clear as to the relevance that United States tax law would have in this kind of situation. I will certainly get the information for the hon. member, if he thinks that is desirable. I do not have it in front of me.

I believe the hon. member was speaking of section 65. It continues the provisions in the present act which give authority for the deduction of depletion allowances for mining and oil properties, as determined under the regulations. The present regulations provide for a depletion allowance of 33-1/3 per cent of the profits derived from the operation of a mine or oil well. This does not apply to gold mines, which receive an allowance of 40 per cent of profits of $4 an ounce, whichever is the greater, or to coal mines, which receive an allowance of 10 cents per ton.

Non-operators who receive royalties or rentals are entitled to an allowance of 15 per cent of the gross rent. There will be no changes in the amounts of depletion which may be charged under that section until 1977. Commencing in that year, depletion allowances will have to be earned. As the earned depletion system matures, allowances will tend to be related to expenditures on exploration and development activity rather than to profits. I am sure the hon. member will, on reflection, agree that in view of the absence of any major discovery in the southern tier of Canada since 1966, it is most desirable for further exploration to be encouraged and stimulated and that we are taking a positive step in that direction by tying depletion allowances to expenditures and development costs rather than to profits, which benefit principally the established and producing oil companies rather than those searching for new resources.

Mr. Woolliams: Mr. Chairman, can the parliamentary secretary tell us why there will be no changes until 1977, so that we may see the full picture?

Mr. Mahoney: Yes, Mr. Chairman. We have here a transitional seven-year period in which companies which have accumulated depletion but not earned the profits against which to offset it can use up the depletion they have already accumulated. Actually, the period would be seven years because the earned depletion provisions date back to the date of the white paper. That is a seven-year period in which to use up depletion that they have already accumulated against future profits. Since during the period dating from the white paper the eligible expenditure provisions for earned depletion will be available to them during this transitional period, they will have basically the benefit of both systems.

This is a transitional provision and has been brought in to try to avoid as much as possible and in a practical way any retroactive impact on companies which in good faith have spent money in the past on exploration and development, but which have not realized the profits which are necessary if they are to benefit from the depletion allowances they are entitled to.

Mr. Woolliams: Mr. Chairman, I thank the parliamentary secretary. Now we have some basis on which to talk. May I ask another question. Some leading national chartered accountants have suggested that the bill makes only basic changes in the provisions affecting the resource industries and that most of the changes will result by order in council. They say that letters have been written to the industry setting out, basically, what those orders in council will contain. Is that correct?

Mr. Mahoney: That is correct, Mr. Chairman. As in the present act, the depletion allowances system is merely and basically authorized by the act. The detailed implementation of it is to be found in the regulations. It is proposed to continue that system in the near future.

Mr. Woolliams: Mr. Chairman, I thank the parliamentary secretary for his courtesy. May I now turn to something else. There is at present a lack of confidence that is evident in the industry. This stems partly from the fact that much of the law in this area is unwritten law, so to speak, since it will be enforced through regulations.

The parliamentary secretary has said that the present automatic depletion provisions for operators and non-operators, including recipients of royalties, are to be continued until 1976 or 1977. He mentioned special provisions relating to gold mines and coal mines. We are told that taxpayers engaged in this area will be required to spend $3 on exploration and development in order to earn $1 of depletion allowance. Royalty income will be classified as production income and, consequently, will be eligible for the earned depletion allowance. Let me pause there. I had good reason for asking about the United States system. As my good friend opposite will understand, and as many experts in the resource industries have said, the petroleum industry and allied industries need to operate with large pools of capital. These industries work with risk capital because drilling wells or digging for mines is a risky undertaking. Consequently, and you cannot escape this; large international concerns are engaged in this field.

Home Oil, a Canadian company, has undertaken much development in the last few years outside Canada, in the North Sea, up in the Arctic and in Alaska under leases from the United States. If these companies are to function properly, they must function in the right kind of international atmosphere. The point I want to drive home is this. I am not being critical of the parliamentary secretary when I say that this bill is as thick as the bible. There is no doubt about it. It contains as many words, probably, as the bible. I have not counted the words in either.

An hon. Member: It weighs more.

Mr. Woolliams: Yes, it weighs a great deal. Much depends on how big is the bible that you are comparing. If our companies are to compete with American companies, British companies, French companies and others that are engaged in exploration and development, our tax laws and depletion allowances must be as favourable as the tax laws and depletion allowances made available by other countries. That is my first point. It seems obvious that this is not the case.

May I refer again to the National Energy Board's decision recently handed down. Five companies came before the National Energy Board, Mr. Chairman, to apply for permission to export natural gas. They wanted to export approximately 2.7 trillion cubic feet. Those export licenses were turned down by the board. You will find part of that decision on page 6-8 of the National Energy Board's reasons for decision. The board said that having analysed the proven reserves of natural gas, they had come to the conclusion that we did not have enough proven reserves to permit export and at the same time satisfy Canadian needs for domestic and industrial use in the foreseeable future.

Let us see what Canada's needs will be. It is estimated that in 1971 we will need 1,049 million cubic feet of natural gas for our own use. For 1972 the estimate rises by about 200 million cubic feet to 1,278 million cubic feet. In 1973 we shall need 1,416 cubic feet. In 1974 we shall need 1,522 million cubic feet, and in 1975—according to figures estimated by the National Energy Board—we shall need 1,632 million cubic feet. All those figures—I mention this to help *Hansard*—will be found at page 4-12 of the National Energy Board's reasons for decision.

• (9:20 p.m.)

Mr. Orange: Twenty-five years from now.

Mr. Woolliams: I am talking about where the figures come from, and I am coming to that. The member for Northwest Territories has put his finger on the very point I am about to make. In order to come to a conclusion as to what we may need in the foreseeable future, the National Energy Board has arrived at a formula whereby one takes the fourth year times 25. So the fourth year from 1971 would be 1973 or 1974, depending on whether it was estimated from 1970 or 1971, and multiply that by 25. And they add that we have 25 years of proven reserves at the present time.

If you multiply the fourth year, which is one trillion, five hundred million cubic feet, more or less, by 25—that is the formula which is used—they then say that when you look at the proven reserves we have at the present they will amount to 60 trillion cubic feet. So when they say we are short about one-fifth of some million cubic feet for 25 years of projection, I say that they have failed. This is my opinion, one which I will put before the committee tomorrow.

I want to ask the National Energy Board some questions. In my opinion they have failed to take into consideration what will happen in the next 25 years of exploration. They have failed to take into consideration the exploration in the Arctic. What they have done is to say that we have 60 trillion cubic feet of gas; we will need all that in 25 years, and forget about any more exploration: we are not going to allow these licences. Why have they done this, Mr. Chairman? I cannot read the minds of the National Energy Board and I am not going to try.

The second point I wish to make, and it is the most important point, is that under the tax structure proposed, the national chartered accountants of Canada, no matter what firm you want to choose, have done research into the Canadian tax reform review—and I have read several of their studies. All of them have come to the conclusion, as have the financial papers of Canada, that the present tax structure is such that it will discourage exploration. Having come to that conclusion, the chartered accountants and the financial press of this country have led me to ask myself this question: Are their deductions correct? I say, Mr. Chairman, they must be correct, because today, for the first time, in Alberta two-thirds of all the drilling companies lay silent and idle while men are out of work and revenue is ceasing to pour into the provincial and federal revenue departments.

There must be some reason for this when we have 60 trillion cubic feet of proven reserves of natural gas and the National Energy Board is not predicting anything for future exploration. I say, therefore, that this tax law will kill or stymie the development and exploration of energy resources in Canada. If, on the other hand, this government had brought forward a tax structure giving the country a tax climate in which we would have encouraged exploration and development, not only in Alberta but in the Arctic and wherever else it can be carried on, then the National Energy Board could have projected that these reserves would be increased and that we could now export natural gas to the United States.

The point I make is this. Since the government of the right hon. member for Prince Albert set up the board, and since after six months of hard work and accounting they came to the conclusion that we had 23 trillion cubic feet of gas in ten years—I want the committee to pay attention to this, Mr. Chairman—in ten years we explored in western Canada and produced 40 trillion cubic feet of gas, twice as much as we knew we had in the sixties. That is why I say that when people talk about Leduc, they are 20 years too late, because Leduc was found in the early forties.

If we had the right atmosphere in the tax structure, the men and women who are now out of work in Canada could have jobs, not only in the drilling rigs but in the tertiary industries. For the export of natural gas you must have pipelines. Pipelines demand steel. The steel industry provides jobs in the east. Jobs in the east build pipelines, and pipelines carry natural gas across the country.

The next question I think the government would consider, instead of killing off development and exploration in this country, is to make sure that we have an adequate transportation system. There is no reason why the province of Alberta should have to sit on its energy resources and wait for this government to create either an atmosphere or motivate a group, through private enterprise or themselves, to provide pipelines to carry the natural gas from the sources which we talk about. What we have reached now, Mr. Chairman, is stagnation. We have now, as the National Energy Board admits, 60 trillion cubic feet of gas. Even taking their formula—which is a small "l" liberal formula of 25 years—if we never found another cubic foot of natural gas we have enough for Canada's use for 25 years.

But this government in its despondency, and even the National Energy Board, says they may not find or explore any more energy in this country. We heard before the committee yesterday that in the United States half its energy is already nuclear and that in another 25 years 90 per cent of the energy will be nuclear. Here we have a great resource in western Canada being stagnated. I am glad to see that the minister of industry is here, because he is responsible for pouring out money to try to stimulate the economy.

With vision, Mr. Chairman, from this source alone it means a billion and a half dollars to Canada every year. This is big business to everybody and it means—I say this to hon. members to my left who oppose the export of natural gas—that if we create a market we will create the industries in eastern Canada, British Columbia and the Prairies. This in turn will give thousands of jobs to Canadians. The tertiary industries which would result from the gas and petroleum industry are worth about $400 million or $500 million dollars right now to Ontario, and $400 million or $500 million to Ontario means a lot of jobs,

if you computerize it right down the line from the little man in the steel factory to the man who is helping to ship the pipe west to build the pipelines. That is what I am talking about when I talk about the resource industry. That is why I am discussing the very serious social question of resources tonight in an atmosphere where it is very difficult to get answers.

This is what the parliamentary secretary has said on this subject, Mr. Chairman—and this is the last point I wish to make. First of all, he has said that most of the law will be written by regulations. He should read the life story of Mackenzie King if he wants to be a great Liberal. Mackenzie King said, "You should know the law as you sit; you should know the law as you run; you should know the law as you walk". Mr. Chairman, we don't even know what the law will be until the bill is passed and some cabinet minister sits down and creates regulations and a climate for industry in western Canada. It will be a law which Parliament can never be allowed to debate. Nor will Parliament be able to discuss the regulations which flow from this socialist bible.

• (9:30 p.m.)

This bill is a socialist document. Its regulations will crush and stagnate the economy. It is a bill that is not being debated in a House where 90 per cent of its members do not understand its significance. This is why it is so important that the bill be divided. We do not even know what the law is going to be that affects one of the great resources of western Canada. Neither do we know, nor have we bothered to find out in the haste of the government to push the bill through, what the law on depletion is in the United States, Great Britain or France.

The parliamentary secretary says that does not matter, that this is Canada and we are making laws for Canadians. He says it does not matter whether the United States out-depletes us, whether France out-depletes us, whether Great Britain out-depletes us or whether Japan out-depletes us. The government is using the cod liver oil treatment. They pour the oil into our mouths and we have to like it or lump it. That is what closure is all about, and this is happening to Canada. Parliament is being gagged. We do not know what is the law and we cannot find out what it is. Even the Canadian Bar Association and groups of chartered accountants say this bill is so complex that they cannot understand it.

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

The Chairman: Order, please. The hon. member may ask a question if the hon. member who has the floor agrees.

Mr. Woolliams: Mr. Chairman, I wish to be polite and courteous to the hon. member, but whenever he has interrupted others on this side who have spoken thus far he has always tried to play politics. If the hon. member wants to ask me a question with regard to something I have said, then I will answer him. If he has another of his nonsensical, political questions that has no relation to anything, then I will not answer him.

Mr. Osler: Mr. Chairman, I appreciate the hon. member's point and I will take care to stick to it because he has made a very good point. In view of the fact that time is so limited and that gas seems to be in limited supply, is it possible to get on to the subject matter of this bill at this time?

The Chairman: Order, please. The Chair has listened throughout the debate in committee of the whole fairly carefully. The committee must remember that we are discussing a group of sections, and hon. members will recall that it has been the practice in committee to let discussion range within the group under discussion. With respect, I think the hon. member is relevant and I ask him to continue his remarks.

Mr. Woolliams: Thank you, Mr. Chairman. In view of your remarks I shall ignore the question. Having expected that type of question I am not disappointed, and when one is not disappointed one cannot help but feel happy.

Mr. Alexander: It is exhilarating.

Mr. Woolliams: Yes, it is exhilarating. A glance at the new tax amendments and regulations within Bill C-259 raises the question—what are these measures going to achieve in the energy sector of the economy? I say that they will achieve stagnation. There will be no more exploration, particularly in time of demand. According to the formula used by the National Energy Board, there is a demand for accelerated exploration and a need to double our reserves of energy. This formula is costing western Canada $1.5 billion, which is a lot of money.

One conclusion is obvious: the proposed tax amendments will severely restrict, and are presently restricting, our oil and gas industries at a time when every attempt must be made to keep them healthy and expanding and to maintain an expanding economy. To carry this conclusion further, will these proposed tax changes be the foundation upon which to construct a comprehensive energy policy to meet the energy requirements not only of this nation but of the export market? Predictions for the remainder of this decade suggest that the demand for mineral and energy resources will escalate at an unprecedented rate. By 1980 the United States, it is suggested, will consume—as I pointed out the other night—over 80 per cent of the world's production of mineral and energy resources. Canada, as a result of its proximity and close affiliation to United States markets, must formulate a Canadian resource policy. Part of that policy is a sound tax law in order to stimulate the growth of corporations, a growth that will bring fuller employment of labour.

Although a continental energy policy has been proposed, no one really understands it. This may be a side issue, but anyone who links the export of water to natural gas or crude petroleum would be mistaken. I would be the first to oppose such a relationship. We are living in the age of petroleum resources. There is a time to use these resources, as there was a time to use energy in the form of coal. But we are now moving into a new era, the nuclear age. I shall have something further to say on other sections, but on that tone I draw my remarks to a conclusion since the Chairman has been very gracious in allowing me a few extra minutes.

Mr. Mahoney: Mr. Chairman, since the hon. member was speaking on section 65 and on depletion allowances, I wonder whether he would expand on the rationale of his

thesis regarding the change in the system of depletion allowances which he related directly to exploration and development and to giving resource companies an opportunity to earn exactly the same depletion that they can under the present system, but contingent upon their carrying out exploration and development programs. How can this possibly serve as a disincentive to exploration, as he indicates the present provisions will?

Mr. Woolliams: I answered that in my speech, Mr. Chairman. I said we must have a comparable depletion allowance to the United States. As my hon. friend appreciates, up until now much of our development has been financed by foreign capital. Foreign capital has come to this country because depletion reserves and allowances were built up in the United States at a greater rate pro rata than in Canada. As a result, this has encouraged investment dollars from the U.S. since these dollars are tax free here.

This is why I said that our depletion and tax laws must be comparable. I would say they must be even more attractive than those of the United States if we are to have exploration and development. That is why I asked the parliamentary secretary, before I commenced my remarks, about the depletion law in the United States. He replied he would bring the information to the committee and let me know. I think I have a pretty good idea what it is, but I should like to hear it from the government.

Mr. Ritchie: Mr. Chairman, discussion on the tax bill and the matter of resources brings up the question of the attitude the government must take in regard to how much tax a resource industry should pay. In my opinion this is largely a political question. There has been widespread feeling among Canadians that through depletion allowances and other incentives the oil companies have been able to make unusually large gains and to pay much less tax then should be the case. From a personal point of view may I say I remember my family investing $1,000 in the oil industry of Alberta before the war, some time during the 1930s, not one cent of which they saw again. So it is not the case that such investment is always profitable.

• (9:40 p.m.)

I think that a significant answer to this problem was given to the Standing Committee on Finance, Trade and Economic Affairs, in reply to the chairman, the hon. member for Gatineau, by officials of Shell Oil appearing before the white paper committee. I quote:

THE CHAIRMAN: Depletion, gentlemen, is an incentive. How will you determine whether a particular incentive is overgenerous? Why 33⅓ per cent? Would not 30 per cent, 25 per cent, 20 per cent, accomplish the same development in Canada?

MR. BRIDGES: Mr. Chairman, this question came up again earlier today in a slightly different context. How do you judge what is the right level of an incentive for an industry? I think the problem is a very complicated one.

May I go back a little and talk about the history of oil in the North American continent? Perhaps it was not stressed sufficiently this morning that there have only been two really big discoveries of oil in the whole North American continent: one was East Texas and the other is now Prudhoe Bay. The rest of the oil in this continent is in thousands and thousands of small accumulations, all of which cost a great deal in exploration money to find.

If this situation were to change—let us suppose that we suddenly could expect that, in the new frontier regions of Canada, we are going to find half a dozen fields of the size of Kuwait or Abqaiq, or some other fields like these enormous fields in the Middle East—I will tell you quite frankly, right now, we would need no incentive whatsover. The chance of this happening is just infinitesimal we really believe.

Let us be frank right here. The United States and Canada are the only two countries in the world where you present a depletion allowance. The reason is, just as I have explained, because the majority of the oil in North America is contained in an enormous number of small accumulations which are hard and costly to find, costly to develop and of course, as we move closer to these frontier regions, that much harder to bring ashore or to some location where they can be shipped either by pipe line or by tanker to a consuming area.

And here we come to the really difficult question: What is the right kind of incentive? Truthfully, of course, one can only answer that after all the oil of Canada has been discovered. One can, in retrospect, say what was the right level to encourage this development. Right now, we can only say that these big fields, even East Texas and Prudhoe Bay, are still small compared with fields of the size of Kuwait and Abqaiq in the Middle East. Certainly, the Prudhoe Bay field is in a remote location.

We hope there are some more of this size of field in our Canadian frontier areas, but we cannot count on it. We believe it will be wrong for the government to feel that it is certain that there are going to be half a dozen of these fields around just waiting for somebody to find.

We believe this is unrealistic; the chances are that again we are going to find more oil, but again it is going to be of the normal type of North American accumulation, which is relatively small, difficult and costly to find, and, of course, the more remote the area, the move difficult to bring to a market. Therefore, we feel an incentive is required.

I think this comment by the people of the oil industry is very valid and to the point. We must give incentives to our oil industry or have the oil stay in the ground until such time as world prices rise and supplies of oil, particularly in the Middle East, become depleted so that our oil pools will be able to be brought into production. Of course, all this raises the valid important consideration of what are our own needs in Canada of oil and gas. At what price should it be sold and what incentives, if any, should we offer for the exploration of oil and gas? The action of the national Energy Board last Friday in banning the sale of gas exports to the United States is largely of political significance. It certainly is an example, as in the tax bill, where the government is changing the rules in the middle of the game to its own advantage.

It has certainly decided that the gas producers, especially of Alberta, shall take a very reduced price for their gas so that consumers in central Canada will benefit. In other words, it is obvious that at this time the National Energy Board has made a purely political decision and it has subverted the interests of western Canada for the interests of central Canada. The amount of gas rejected by the National Energy Board was, of course, insignificant in relation to our long-term needs. It was made in face of the decision of Alberta's energy resources conservation board that there was natural gas in the province surplus to present and future needs of its citizens. The National Energy Board said there was no surplus available for export.

Mr. Lougheed, the Premier of Alberta, asked the federal cabinet to request the National Energy Board to reconsider its decision, and—

—in particular the extreme weighting given eastern Canadian requirements.

Alternatively, if the National Energy Board is not prepared to reconsider its decision, then the federal cabinet should take the necessary action to assure the requirements in eastern Canada as set forth in the decision are immediately covered by purchase contracts.

The Premier said this would significantly assist the current situation of locked-in natural gas reserves in Alberta. This energy decision of the federal government, taken under the guise of the National Energy Board, has been widely haled as an example of Canadianism. In fact, it is mainly beneficial to eastern Canadians who do not want to pay more for their gas, and in the immediate future this might well be so.

Since last Friday—which might well be a milestone in the natural gas industry—as reported in the *Globe and Mail* of November 23, the gas industry officials are assessing the immediate and long-term consequences. The gas industry will no longer have a hope of supplying a premium fuel to a high-priced, energy-short market. The immediate possible developments are as follows. There may be a substantial drop in U.S. risk capital that has poured over the border in vast amounts in the past two years in the hope of triggering new finds and exporting the gas. Higher domestic gas prices, especially in the Ontario market that now accounts for 41 per cent of all gas sales from western producers, could result.

A dampening could occur in U.S. enthusiasm for northern exploration, financed largely in the hope of exporting the gas that might materialize, and there may be a reassessment of U.S. plans for a pipeline to move Arctic fuel to southern markets. It has been agreed that gas producing facilities of major oil companies will find foreign money and even domestic capital will be tighter and will be dispensed much more carefully in the absence of reasonable expectations that gas it helped to find can be removed.

One company which has spent $75 million since 1969 is quite undecided as to its future. In all, about $100 million from the United States has gone to Alberta since 1969. Furthermore, similar amounts of money being spent in the Arctic create similar development problems in the Northwest Territories. Almost certainly United States capital will not be allowed to export gas found in the Territory in the future. I think the action of the National Energy Board will create a void in the investment in the natural gas industry which Canadians presusmably think they wish to fill and they will have to call on their own financial resources.

There have been increased demands for domestic price increases and producers have claimed lately that they are subsidizing eastern customers. What about the obvious differences of opinion between the Alberta energy conservation board and the National Energy Board? It certainly seems quite likely that the National Energy Board's decision was highly political. The action of the National Energy Board, which obviously could not have been taken without the agreement of the government, triggers a new and important phase in Canadian-American relations. It has certainly served notice that the Canadian government is willing to change rules at any time it suits them and with no apparent policy to compensate for this change.

• (9:50 p.m.)

It perhaps is the general feeling that Canada has natural gas fuel and that in some way this gives Canada an advantage over its competitors if the gas is not exported. This action might be held by Canada, first as a great victory for Canadian nationalism—but everyone knows that in this modern world we are significantly interdependent. Certainly, the United States against whom the National Energy Board's decision was made has great economic power in the world. If the United States had to exist without Canadian natural gas, I think no doubt it would do so. The Japanese have proved over and over again that people who are resourceful and hardworking, with good investment policies and industrial policies, can survive with almost no natural resources of any kind.

The action of the National Energy Board is precipitate and hasty. If we need to curtail the export of natural gas or prevent it altogether, certainly this is our privilege; but I think that the government should give due warning of their action and have some public discussion, particularly in view of the fact that responsible boards such as the Alberta conservation energy board had sanctioned the export of gas.

Now that the government has indicated that there is little chance of natural gas being exported in the future—and I am sure this government will move the oil in some way—our oil resources will, obviously, largely have to be developed by our own capital. For various reasons capital in Montreal and Toronto has never been interested in western oils in great quantity. There is no indication that they are interested today. The government, in the present tax legislation, has seriously reduced the tax incentives for Canadians to invest in a high risk venture. Bill C-259 further reduces the incentive to invest in high risk ventures such as petroleum and mining.

The action of the National Energy Board has had significant impact on the exploration for oil and gas in this country and it complements what the tax bill is doing. It points to a policy that indicates the exploitation of our renewable resources should not be carried out. It certainly points to the necessity of manufacturing being necessary to carry a much greater burden of international prosperity than it has so far shown itself capable of doing. So I think Bill C-259, along with the action of the National Energy Board, has so changed the climate that we will lose investment in the natural gas and oil industry in Canada at a time when so many jobs are needed. This will not be a good thing for Canada.

Mr. Otto: Mr. Chairman, I listened to the arguments of the last two speakers and I wonder if they would review their thinking on the suggestions they have put forward. If I understood correctly what they said, there is a United States input and a United States emphasis in respect of exploration and development of the petroleum and mining industries in Canada. They say that this bill should be the instrument by which we should compete this United States emphasis. In other words, if I understood them correctly, they are saying that if we raise the depletion allowance and we lower the income tax, more Canadians would invest in our petroleum, gas, and so on.

Mr. Woolliams: Good boy!

Mr. Otto: Mr. Chairman, let me go a step further. If we did this, would not the United States then compete with us by lowering their income tax and increasing their depletion allowance? Indeed, it would be to their advantage to do so, because Americans who come here to explore and develop think it is very unfair that we should have any energy board to prevent them from taking out the gas and oil. How can we compete?

If we should lower our income tax and increase the depletion allowance and the United States should go still further, how far can we go? We cannot compete against a country as vast as the United States, with the breaks it can give to its industry. To say we should compete by raising the depletion allowance does not make sense. We do not have that kind of money and therefore cannot compete with the United States. I agree that we should induce Canadians to develop their own resources, but certainly not by increasing the depletion allowance or through this bill, because it cannot be done in that way.

If hon. gentlemen opposite can tell this House how we could possibly compete with them, I would be ready and willing to listen; but so far the only thing I have heard is that we should get into competition with the United States. We would not win in such a competition. Therefore, I do not think the arguments we have heard would change the situation one iota. With respect, I suggest this argument does not apply to this bill and that the amendment they are asking for will not do the job.

Mr. Woolliams: Mr. Chairman, it is just about ten o'clock. I would have liked—and I shall do so tomorrow—to answer a question put to me by the parliamentary secretary in respect of some of the recommendations of the Senate committee. I am sure my good friends across the way would like to hear a compliment from me, because I do not always pay them compliments. I congratulate them on their wonderful attendance here tonight.

Mr. McGrath: It is edifying.

Mr. Woolliams: It is edifying. I think it is now ten o'clock.

The Chairman: Order, please. Is it agreed that the Chair call it ten o'clock?

Some hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL SECURITY—AUTHORITY FOR PAYMENT OF SPECIAL FORCE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, the question which concerned me the other day was that I thought,—and I believe some of my colleagues also thought—,that the spending program for Colonel Bourne's special advisory force to the Royal Canadian Mounted Police and the Solicitor General somehow slipped through the tight net we usually put on the spending program of the government. I believe this has happened since July of this year, and therefore I had the feeling that this matter should be pursued in the House and, more particularly, at this late hour when as we know the galleries are filled and people are just bursting to get the information which can be passed along by the Solicitor General, myself or anybody else.

The question I asked dealt with this question and arose out of the fact that section 54 of the British North America Act provides:

> It shall not be lawful for the House of Commons to adopt or pass any vote, resolution, address, or bill for the appropriation of any part of the public revenue or of any tax or impost, to any purpose that has not been first recommended to that House by message of the Governor General in the session in which such vote, resolution, address, or bill is proposed.

It is granted that that view was set forth in our constitution, that the constitution is sacrosanct and should not be amended without at least a great deal of consideration and that this is the law under which we operate. Then I and a number of my colleagues asked ourselves why Colonel Robin Bourne and his advisory force to the Royal Canadian Mounted Police have suddenly crept into the Canadian scene. I do not think we have had a satisfactory answer to that as yet, hence my temerity in trying to raise the question again tonight.

• (10:00 p.m.)

We have asked questions both inside and outside the House of Commons and perhaps I can put it here, without referring to the debate in the House, in simple language. I think that when you deal with the security of the country, when you deal with people who, as the Solicitor General (Mr. Goyer) advised us earlier, give advice to the RCMP on security or on other matters—when, in short, you deal with anything that has to do with the RCMP as the force that protects most of us in Canada—you must have a pretty good reason for advocating a change from the traditional practice.

What shook most of us in the Committee on Justice and Legal Affairs, and indeed those who were considering the security of the country, was that we voted on something and now we find—this can be proven by the answer which the Solicitor General gave me the other day which had nothing to do with the question I raised—that we have never had a real explanation of why this force was set up in the first place. It turns out that a year or more could pass in the affairs of this Parliament with regard to the spending program of the RCMP and nobody will be coming before us, including the Solicitor General, to account for the fact that there has been a great departure from ordinary practice in the administration of his department.

I see the hon. gentleman is leaving the chamber at five minutes after ten. I hope that somebody will be able to account for his absence and for my presence and will answer my question. Nobody is able to tell us why a new force giving advice to the RCMP should be imposed upon the Canadian public upon whose establishment we have never had a chance to vote. That is the essential question:

If it is so good and proper, why were we never presented with the reason for its existence; and if it is so bad, why were we not told about it? With those questions I close my case, and I would like an answer from those who respond on behalf of the greatest police force in the world.

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): I can assure the hon. member that nothing, as he has suggested, has slipped through the tight net of government spending. If the hon. member had listened carefully to the remarks made by the Prime Minister (Mr. Trudeau) and the Solicitor General (Mr. Goyer) in this House he would realize that this group was not set up to advise the RCMP, as he suggested, nor is it a part of the RCMP.

A proposal for the establishment of the security, planning and research group in the headquarters of the Department of the Solicitor General was submitted to the government in April of 1971. The group is established to study the nature, origin and causes of subversive and revolutionary action, its objectives and techniques, as well as the measures necessary to protect Canadians from internal threats, and to compile and analyse information collected on subversive and revolutionary groups and their activities, to estimate the nature and scope of internal threats to Canadians and to plan for measures to counter these threats, and to advise the Solicitor General in respect of these matters so that he can properly advise the government.

In that regard the government approved the establishment of the group in May, 1971, and subsequently positions were authorized for eight officers, three stenographers and one clerk. Colonel Bourne, of whom the hon. member has spoken, was seconded from the Department of National Defence. His salary is paid by that department and will be reimbursed by the Department of Solicitor General as and when this Parliament authorizes funds for it to do so.

One other member of the group was also seconded from the Department of National Defence and another from the Royal Canadian Mounted Police. Their salaries, likewise, are being paid by those establishments and will be recoverable from the Department of the Solicitor General on the same basis as that of Colonel Bourne. The remainder of the group are members of the public service of Canada. The government considered the need to establish this group on a priority basis. Other positions in the headquarters of the Department of the Solicitor General which had become vacant were utilized so as to provide for recruitment action on a priority basis.

Funds for the reimbursement of salaries to the Department of National Defence, the Royal Canadian Mounted Police and to pay the salaries of the remaining members of the group will be found in vote 1 of the estimates of the Department of the Solicitor General and, if sufficient funds are not available in vote 1, in further supplementary estimates, something which was mentioned before the supplementary estimates committee the other day.

As of this date, of the eight officers, three stenographers and one clerk currently authorized by Treasury Board, six officers and three stenographers have been hired and are carrying out the duties of the group as described by the Solicitor General in his statement to the House on September 21, 1971. Any inquiries in respect of the group can be made any time that vote 1 of the estimates of the Department of the Solicitor General is before the House of Commons or the appropriate committee.

CANADIAN NATIONAL RAILWAYS—METRO DEVELOPMENT CENTRE, TORONTO—ALLEGED AGREEMENT TO DEMOLISH UNION STATION

Mr. John Gilbert (Broadview): Mr. Speaker, on November 16 I directed a question to the Minister of Transport (Mr. Jamieson) inquiring whether Canadian National Railways had entered into an agreement with Metro Development Centre, Toronto, to sell Union Station and, if so, did the federal government agree with the demolition of Union Station. The answer the minister gave was as follows:

> Mr. Speaker, the hon. member I believe is aware that it is a consortium that is planning what is commonly referred to as Metro Centre. It has the full support of the government. We have given a good deal of assistance to the main parties concerned in order to get it going. One of the objectives is a new terminal, and I believe this involves the destruction of Union Station, but I would assume that the decision whether it is to be destroyed or not would be up to the municipal—

I imagine he wanted to finish by saying "the municipality of the city of Toronto." Mr. Speaker, why is it up to the municipality of the city of Toronto to determine the destruction of Union Station in Toronto? May I remind hon. members that this Union Station land is comprised of approximately nine acres, is owned by the city of Toronto but is subject to a renewable lease of 21 years, in perpetuity, to the railway companies.

In a report by the development commissioner to the executive committee of the city of Toronto on May 6, 1971, the commissioner stated that the maximum value of the nine acres would be in the region of $50 million if it were unencumbered. The encumbrance is the lease to the railways which they obtained at the turn of the century. After obtaining it, subject to a clause which says it must be used for railway purposes only, they proceeded to rent 15 per cent of the land to the Post Office. In 1939 the federal government expropriated the 15 per cent that had been acquired by the Post Office.

• (10:10 p.m.)

In 1946, in determining the compensation for the land that had been expropriated the Exchequer Court said that the encumbrance had no real effect with regard to the value of the land in question. So you have the development commissioner setting a value of $50 million and the real estate experts of the railway company setting the value at $1,500,000, and next the city says they will give it a realistic value of $9,500,000. The question arises, Mr. Speaker, where has the $40 million gone? Perhaps the answer lies in the attitude of the railway which wants to construct the new terminal just south of the Union Station because they know that the present site has greater marketability as a commercial site. I would think that is the reason for the difference in the valuations.

More important are the esthetic qualities of the Union Station. I have with me a picture of Union Station which I wish I could distribute to all members of the House. I wish it could be printed in *Hansard* because it shows its majes-

ty and beauty. Mr. Speaker, I would not want you to rely on my evaluation of what is beautiful, so I would ask you to note the comments of the vice-president of the Architectural Conservancy of Ontario who sent a letter to the chairman and members of Toronto city planning board on June 29 as follows:

Next to our federal Parliament buildings, the Toronto Union Station is the most majestic of Canada's public structures. Its concourse is easily the most magnificent enclosure of space in the country.

With lamentable disregard and in complete insensitivity, it has been proposed that this national heritage be demolished, despite the fact that its useful life span could be prolonged indefinitely. Such vandalism is all the more inexcusable when it is realized that its design is well adapted to fitting into any new complex.

I should also like to quote Professor Richardson, another vice-president of the Architectural Conservancy of Ontario, who appeared before the private bills committee of the Ontario legislature. He stated as follows:

They are heroic buildings of noble stance and national importance—

The station has been described as a ticket lobby, but that vast concourse is the most noble room in this country.

Mr. Speaker, is it any wonder that we become very disturbed with regard to the actions of the government on this beautiful building? It is not only the commercial value that the railways see with regard to changing the railway from Front Street in order to locate it further south that concerns me, but also the transportation problems that will result as a consequence of the change. We not only have the main trains going into the station from all parts of the country, but we have the GO train which services the many commuters who come to Toronto to work. If they move that to the locations they have in mind, there will be a distance of 850 feet between the GO train ticket office and the TTC subway ticket office, approximately 300 yards, and a distance of 1600 feet from gate to gate between the main line of the subway line, roughly 550 yards.

There is also the problem of the economic feasibility of a bus terminal within the Metro Centre. We all know that the Spadina expressway has been cancelled. It will involve many transportation problems in regard to moving pedestrians and other traffic in the downtown core of the city.

Mr. Deputy Speaker: Order, please. I regret to inform the hon. member that his time has expired.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, in replying to the hon. member for Broadview (Mr. Gilbert) I would like to refer him again to the Minister of Transport's statement in the House on November 16. It is a direct answer to his question. On that day the minister explained that the metro development project was a consortium of companies and that it had the full support of the federal government. The fate of Union Station was one which lay not within his purview but with the municipality.

A great deal of planning and consultation has gone into what is known as Metro Centre, Mr. Speaker. It is a very complex and challenging venture, and I am told it will include a multi-modal transportation terminal, an office-commercial area, a large residental community, a communications and broadcasting sector and other attractive facilities. Since this project was first announced in 1968 there has been extensive consultation with all levels of government. In this case they were not only with the federal government but with the province, metro and the city of Toronto.

After many years of planning, Metro Centre is now moving into the implementation stage and several intergovernmental liaison committees have been established to ensure effective liaison and co-operation between the public and private sectors.

The hon. member has made a number of observations which I will be glad to bring to the minister's attention.

[Mr. Gilbert.]

REGIONAL ECONOMIC EXPANSION—ATLANTIC DEVELOPMENT COUNCIL REPORT—INQUIRY AS TO DECISION ON RECOMMENDATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, on April 7 the Minister of Regional Economic Expansion (Mr. Marchand) tabled in the House the first report of the Atlantic Development Council. The Atlantic Development Council, under the distinguished chairmanship of Professor William Smith of Fredericton, New Brunswick, a man well known and respected in the Atlantic provinces, was set up under the Government Organization Act of 1969, that being the same statute that set up the Department of Regional Economic Expansion. Section 31 of the act sets out the function of the council. It says that it is the function of the council to advise the minister—

—on matters to which the duties, powers and functions of the minister extend and, in particular, to give consideration to, and make reports and recommendations to the minister on,

(a) plans, programs and proposals for fostering the economic expansion and social adjustment of the Atlantic region;

(b) the feasibility of particular programs and projects and the contribution those programs and projects will make to the economic expansion and social adjustment of the Atlantic region; and

(c) such other matters relating to the duties and functions of the minister under this act in respect of the Atlantic region, as the minister may refer to the council for its consideration.

On December 1, as recorded at page 10065 of *Hansard*, I directed the following question to the Minister of Regional Economic Expansion:

Since the first report of the Atlantic Development Council has been on the table of this House since April 7, and since it contains important recommendations on the strategy for development of the Atlantic region, may I ask the minister if any policy decision has been taken on those recommendations and if not, why not?

To which the minister replied: "No, not yet, Mr. Speaker." I should like to know when the government intends to act on the recommendations of the council. The principal recommendations with respect to the ten-year strategy of development for the Atlantic region involve, first, the creation of 170,000 new jobs over the next ten years and 50,000 jobs in the manufacturing centre. Second, the need for a full employment framework within which the Department of Regional Economic Expansion can operate more successfully. Third, an emphasis on the industrial complex approach. Here the idea in mind is a Crown corporation or something similar to it creating a series of interrelated industries in a particular area. Fourth, regionally sensitive monetary and fiscal policies. Fifth,

increased consultation between different levels of government and between government and citizens and, sixth, an outlining of Department of Regional Economic Expansion policies so that they may be fully assessed by the public and appreciated.

I believe it is incumbent on the government either to accept or reject the recommendations of the Atlantic Development Council. If the government persists in its policy of ignoring these recommendations, in view of the lack of regional development strategy for the region and in light of the department's persisting in an ad hoc approach to the problem of the chronic unemployed of the region, I believe it is incumbent on the government to ask for the resignation of the members of the Atlantic Development Council.

• (10:20 p.m.)

It seems to me that the recommendations outlined in the press report are exactly what are needed for the region. They contain a ten-year development strategy for a region which is facing chronic unemployment despite the fact that the government has poured substantial funds into the province.

I believe, as do others—including the Atlantic Economic Council, economists in the region, members of provincial governments, and so on—that this approach is exactly what is needed. In other words, there must be a planned approach whereby new jobs can be created and the necessary monetary and fiscal framework prepared by the federal government within which this strategy can be operated effectively. In the absence of a policy statement by the minister on the observations of the Atlantic Development Council, I believe it is incumbent upon him to say exactly what his own policy is. Otherwise we can only assume that he and his principal advisers have no confidence in the members of the development council.

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): The hon. member for St. John's East (Mr. McGrath) has suggested we should either accept or reject the advice given by the Atlantic Development Council. I think it would be more sensible to study the suggestions thoroughly before deciding whether we ought to accept or reject them. No doubt we shall accept some of the recommendations and reject others.

As the hon. member indicated, it is obvious that these suggestions are wide ranging in a complex field. They deserve the careful study they are receiving. As he knows, there has been a turnover of senior personnel in the department and it is not surprising that the study of a report of such scope should take a considerable amount of time. Certain of the proposals have already been implemented.

I should like to draw the hon. member's attention to the announcement by the minister on October 21 of the establishment of two new programs the creation of which was specifically recommended by the council. I refer to the Atlantic region labour education centre and the Atlantic management institute. It might encourage the hon. member if I tell him there will be a formal meeting between the minister and the members and officials of the council in mid-January. At that time the minister will be exchanging views with the members on the major features of the report.

In light of this, the hon. member's assumption about a need to seek the resignation of the council does not reflect the view of the government, which is treating the report as a matter of valid concern which we believe will make the programs of the department even more effective than they are at the present time.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Friday, December 3, 1971

The House met at 11 a.m.

BUSINESS OF THE HOUSE

WITHDRAWAL BY MEMBER FOR PEACE RIVER FROM HOUSE LEADERS' MEETINGS ON INCOME TAX BILL

Mr. W. G. Baldwin (Peace River): Mr. Speaker, I rise briefly on a point of order to say publicly in the House what I have already told the government House leader privately, that because of circumstances I no longer intend to participate in meetings of House leaders in connection with Bill C-259 and the operation of the modified closure, guillotine, bulldozer rule in that respect.

Because of the interpretation of the rule which is that it is not necessary to go behind the statement made in the House by the minister. I do not impugn his veracity at all, but in the circumstances, unless there is in fact a united position taken by the three opposition parties as to the need to hold up part of the bill for reasonable debate and discussion, the whole proceedings become farcical. For that reason, with respect to this bill and the operation of rule 75 I do not intend to participate, nor will there be a representative of this party.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to say a word on the point of order raised by the hon. member for Peace River (Mr. Baldwin). It does seem to me that, even though we are now under closure in respect of the committee stage of this bill—and our position on that is well known—it is useful to organize such time as we have.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I therefore regret the decision of my good friend not to attend our meetings. Maybe he could indicate his wishes to me and I could speak on his behalf. At any rate, I hope we shall find a way to use to the best possible advantage such time as has been left by the government for consideration of Bill C-259 in the Committee of the Whole stage.

[*Translation*]

ROUTINE PROCEEDINGS

MISCELLANEOUS ESTIMATES

Eighth report of Standing Committee on Miscellaneous Estimates, in the two official languages—Mr. Leblanc (Laurier)

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

[*English*]

FISHERIES

STATEMENT ON AGREEMENT WITH NORWAY RESPECTING SEALS AND PHASING OUT OF CERTAIN FISHING PRACTICES OF EUROPEAN COUNTRIES

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, I should like to make a short statement on seals. I should like to describe the agreement negotiated with Norway and I should also like to say a word about the phasing out of the traditional fishing practices of European countries from Canada's territorial sea and new fishing zones.

As hon. members know, we have been pushing our fisheries' limits seaward. We have drawn baselines and fishery closing lines across the mouths of our major bays and inlets. We have also extended our territorial waters 12 miles beyond these lines.

In the eyes of some long-distance fishing nations this policy is expansionist in the extreme. For our part, we believe that these moves are well-founded and essential for the sound management of the fish and marine animals which live near our shores.

In recent months negotiations have been conducted with Norway, Denmark, the United Kingdom, France, Spain and Portugal. They have culminated, or will shortly culminate, in agreements which will not only recognize Canada's jurisdiction in these areas off our coast but will also see the progressive elimination of traditional foreign-based fishing operations in the Gulf of St. Lawrence and in our territorial sea along the Atlantic coast.

• (11:10 a.m.)

This is a major accomplishment. Not only have we acted on our own initiative by drawing fisheries lines authorized by Parliament but we are also getting other nations to formally admit that these lines exist and that the waters inside them are within Canada's fisheries jurisdiction.

The hon. member for Gander-Twillingate (Mr. Lundrigan) is concerned about Norwegian fishermen continuing to take seals along certain stretches of our coast off Labrador and northeastern Newfoundland. I would point out to him that the seal herds in the North Atlantic are often found far out at sea. The only way in which we can ensure that the total stock of seals—both in national and international waters—is well managed is to have an agreement in respect of them as a whole and share the catch with other participating countries, in this particular case with Norway only.

Under our new agreement Canada and Norway are setting up a joint commission on sealing. This commission, manned by some of the world's top experts on conservation, will set quotas. These quotas will apply to the entire herd in the North Atlantic, offshore, and occasionally near our shores. The quotas they recommend to

Canada and Norway may be similar to the amounts of the catch in recent years or may be zero. The numbers remain to be seen. But Canadians are now guaranteed two things. One is the perpetual protection of the seal herd in the North Atlantic. The other is a fair division of the commercial catch. This will depend on the recommendations made by this group of international experts.

The hon. member says that Norwegian fishermen will be, in his words, "invited in to within three miles of our shores." He says this as if it is something new. Foreign nationals, including Norwegians and Russians, for many, many years have been coming close to our shores to take seals. The only difference now is that Norwegians will come only when there is a proven surplus of seals and the take will have to be shared in any case with Canadians.

I should mention the special position, the privileged position in a sense, of our small inshore fishermen. They are in a special category. They have first claim on any quota which may be declared as surplus to the basic seal stock in the whole of the North Atlantic. The number of longliners operated by inshore fishermen off the northeast coast of Newfoundland has been increasing. Presumably the take of these small inshore fishermen will be guaranteed under the new agreement with Norway.

Finally, Mr. Speaker, hon. members opposite claim that our new agreement with Norway, like the other agreements with other European countries being phased out of our fishing waters, should be debated in this House before it is ratified by the government. Presumably they realize, also, that to follow this procedure would be to depart from normal Canadian and British parliamentary practice. It would be to adopt United States practice. It would be to adopt a procedure which is characteristic of the U.S. presidential system. I doubt very much whether hon. members opposite would want that to happen.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I am disappointed the minister did not see fit to provide an advance copy of his statement until two or three minutes ago. First of all, in respect of his concluding remarks about having the matter debated in the House of Commons may I say that the fact the government is not willing to place this matter before us does not surprise me. They never would have placed the present arrangement before the Canadian people except for moves by a number of members in the House of Commons in the last couple of days.

As far back as 1963 the Canadian government started talking about imposing a 12-mile limit, called a territorial sea, and baselines drawn from headland to headland on the Atlantic coast. Recently we have had the application of the 12-mile limit and more recently have had the Gulf of St. Lawrence closed off as a completely exclusive Canadian fishing zone.

Hon. members have heard from day to day for the past year from the Secretary of State for External Affairs (Mr. Sharp), every time we have raised questions about conservation problems on the Atlantic coast, about the great achievement of having made the gulf an exclusive, Canadian fishing zone a body of water that is completely Canadian. Now we have received the treaty between Canada and Norway which trades off the rights of the sealers on the northeast coast of Newfoundland in an effort, the minister tells us, to phase Norway out of the Gulf of St. Lawrence in the next three years. I believe, if I read the exchange of notes correctly, it says that Norway must be out of there by 1975.

In order to do that we are establishing a principle which has never been agreed to by any nation since the seven years war when the defeated nation was forced to give up certain territorial rights. In order to do that we are permitting Norway to violate our territorial seas by nine miles on the northeastern coast of Newfoundland and to actually come within three miles of Canadian territory on the southern part of the northeastern coast of Newfoundland in Notre Dame Bay. This will mean that the Norwegian sealing fleet or any kind of vessel in part of Notre Dame Bay can actually be nine miles inside Canada's nearest land, Fogo Island, which is 12 miles off the coast. It means that the 5,000 people there who have engaged in the seal fishery will have to compete with the great Norwegian sealing fleet nine miles inward from their island.

The minister mentions that traditionally the seals are out to sea in international waters. We have asked the government of Canada if they would enforce the 12-mile limit which would prevent Norway from being encouraged to take the gamble of sending their fleet across the Atlantic because the minister knows well, if he knows anything about the sealing industry, that for many years the seals—this is why a special treaty was arranged—have come within the 12-mile limit and frequently right up to the shores of Canada. If the government of Canada were to enforce the 12-mile limit on Norway in regard to sealing it would make it impossible for Norway to take the gamble. They would have to stay home with their ships. In the last decade they have taken in excess of 100,000 seals a year. They are the biggest harvesters of seals in the world. This agreement would permit Canada to continue its harvest at the present quota and allow the herd to flourish and grow. This move is an anti-conservation move and a treacherous move toward the people on the Atlantic coast.

The fundamental question which has to be raised is what will we trade off to other nations that we are trying to get out of the Gulf of St. Lawrence? What are we going to trade off to these other nations that have no fishing rights in the gulf? What will we do with France in the matter of St. Pierre and Miquelon? What are we prepared to trade there? The government might revert to the time before the seven years war when it comes to that particular trading.

We have been encouraging the government for purposes of conservation to push our territorial sea beyond the 12-mile limit and to follow the lead of Iceland and other countries by extending our jurisdiction over marine resources. If we accept this agreement it will mean that no other move will be made by the government to extend our territorial seas to protect marine resources. This is a devastating precedent. The principle is fundamental for all Canadians and I feel that this action cannot be agreed to by Canada. The matter should be referred to Parliament and referred immediately to the Standing Committees on Fisheries and Forestry and External Affairs and National Defence. If the Canadian government has any interest in

Newfoundland and its role in Confederation it will have to revise its present position.

Mr. Andrew Brewin (Greenwood): Mr. Speaker—

An hon. Member: Take off your parka.

An hon. Member: Don't flounder.

Mr. Brewin: —this subject is of such vital importance to the people of the Maritimes and particularly to our fishing industry that I regret that the members of our party who are particularly expert in this matter are not available to answer the minister's statement. However, as one who has been interested in some aspects of this matter, namely, those that affect the development of international law, I do make bold to make a few brief comments on the matter.

• (11:20 a.m.)

We in this party have all been in favour of the extension of the territorial waters of Canada. We think this is essential in this modern age not only to conserve fishing resources but in order to preserve the rights of Canadian fishermen but also to deal with the very grave problems of the pollution of our waters. In so far as this agreement recognizes our right to extend control beyond three miles from our shores, we welcome it.

There is great concern across Canada with respect to the problem of seals. It has aroused the consciences of many people. We are concerned that sealing practices should be humane, but over and above that we are more particularly concerned that in the conservation of wildlife there be no extinction of these species.

It appears to us that the agreement the minister has announced in his statement on the setting up a joint commission on sealing is a forward step. We hope this joint commission on sealing will make its major responsibility the conservation of seals and the enactment of humane practices in regard to sealing.

I admire, as I think all members of our party do, the energy with which the hon. member for Gander-Twillingate (Mr. Lundrigan) has expressed his concern about the right of Norwegian fishermen, conceded in this agreement, to come within three miles of our shores. But we do take some comfort from the fact that, as the Minister of Fisheries (Mr. Davis) said, this is not a new development but something that has been happening in the past. We believe that if this was necessary in order to secure adequate international control of sealing, then perhaps it was a necessary concession.

We will observe developments in regard to this commission with a great deal of interest. We note the statement that eminent conservationists are to be members of the commission. We hope they will be in fact a majority of the commission, and that there will be no special interests represented on it but that those who are truly concerned with the conservation of this great national resource will be the effective majority on the commission.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, my situation is similar to that of the hon. member for Greenwood (Mr. Brewin). At the Noranda mine at Lake Dufault, in my area, there is no problem like the one raised this morning by the minister.

I understand however that experts who advise the government, who are conversant with the matter of Canadian territorial waters, have this important problem under active consideration. The hon. members from the Maritimes are deeply concerned about this problem, as much as the hon. members from the Prairies are concerned about the wheat problem.

Now, Mr. Speaker, I leave it to the better judgment of the experts who advise the government and of the minister responsible to find solutions to protect the resources of this country for the benefit of Canadians. I cannot be more concerned about that matter because I am not familiar with it, but I believe that with the advice of experts advising the government our resources will be protected for the benefit of all the citizens of Canada.

[*English*]

AGREEMENT WITH NORWAY ON SEALING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I ask leave to move a motion under Standing Order 43 not only because of the urgency of the particular matter before the House but especially after having noted the lack of concern on the part of members of two other parties in the House, or perhaps a lack of understanding on their part that is not their fault. Because of the implications of the treaty between Canada and Norway, which permits the latter to violate our territorial seas, and because of its long-term implications I would like to move, seconded by my colleagues from the Atlantic region, if that can be collectively done, Mr. Speaker—

Mr. Speaker: Order, please. Would the hon. member please put the motion in proper form?

Mr. Lundrigan: —seconded by my colleague the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That this whole matter be referred to the Standing Committee on Fisheries and External Affairs.

Mr. Speaker: The motion proposed by the hon. member under the terms of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion cannot be put at this time.

An hon. Member: Who said no?

* * *

NATIONAL DEFENCE

U.S.-CANADA PRODUCTION SHARING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. J. M. Forrestall (Dartmouth-Halifax East): I rise under Standing Order 43 to ask the unanimous consent of

the House to move a motion of urgent and pressing necessity involving the defence production-sharing agreement between Canada and the United States. I do so in view of the fact that the imbalance of payments is a little more accurately described as being $404 million and not in excess of $500 million and that this imbalance is due mainly to the situation created by the Viet Nam war and therefore is not a matter of shared continental defence priorities to which the agreements of 1963—

Mr. Speaker: Order, please. The hon. member is making a speech. He knows that under Standing Order 43 and the practice of the House he should indicate what the motion is and the Chair will inquire whether there is unanimous consent.

Mr. Forrestall: I move, seconded by the hon. member for Hillsborough (Mr. Macquarrie):

That the whole question of the defence-sharing program between Canada and the United States be referred to the Standing Committee on External Affairs and National Defence and that the members of the committee be able to study any document, understanding, written or oral, pertaining to this particular defence-sharing arrangement.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Dartmouth-Halifax East.

[*Translation*]

Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Since there is no unanimous consent, the motion cannot be put.

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

U.S. DISC LEGISLATION—PLANS TO ASSIST CANADIAN INDUSTRY—FORECAST OF EFFECTS—REPRESENTATIONS TO PRESIDENT NIXON

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Prime Minister relating to the DISC program. In view of the answers the Prime Minister has previously given with regard to this program and in view of the apparent decision now reached by the Senate-House conference committee in Washington with regard to the DISC proposals, has the government any plans to assist Canadian industry to compete with export industries in the United States when the DISC program goes into effect there?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have been studying contingency programs for several months now. I am not aware when the DISC program will go into effect, but if it does and we have reason to announce anything we will do it at that time.

[Mr. Forrestall.]

Mr. Stanfield: I have a supplementary for the Prime Minister or the Minister of Industry, Trade and Commerce. Is the government going to canvass industry in Canada and the provincial governments with a view to obtaining an accurate forecast of what the probable effects of the United States DISC program will be on Canadian export industries before the possible storm actually descends upon us?

Mr. Trudeau: As far as governments are concerned, Mr. Speaker, the whole matter was on the agenda of the federal-provincial conference a few weeks ago and the governments were invited to make their views known to the federal government. As far as industries are concerned, perhaps the Minister of Industry, Trade and Commerce could reply.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Just to say, Mr. Speaker, that it is terribly difficult to know, first of all, what will come out of Congress by way of the DISC program; second, if the President is going to agree with what comes out of Congress and, third, what use will be made of it by the different companies in the United States, and a few other elements of uncertainty. In these circumstances it is impossible to give any scientific assessment of what the effect of the DISC program will be on Canadian industry. Besides, of course, it would vary greatly from one industry to another.

Mr. Stanfield: No doubt it will vary, Mr. Speaker. I should like to ask the Prime Minister whether he intends to take this matter up with President Nixon when he meets him next Monday, specifically the DISC program in the form it now seems to have been approved by the joint Senate and House of Representatives committee? Does the Prime Minister intend to take this matter up and to press the Canadian point of view? Also, will the Prime Minister be able to take with him forecasts as to the effect of the DISC program if it implemented in the form that has been approved by the joint Congressional committee.

• (11:30 a.m.)

Mr. Trudeau: With regard to the last part of the question concerning forecasts, I believe the Minister of Industry, Trade and Commerce has indicated what the answer to that is. As to taking up the matter itself, I am sure we will be discussing bilateral economic relations between the two countries although, in line with what the Minister of Industry, Trade and Commerce has just said, I do not know if the President will want to take me into his confidence and tell me what he is going to do with the DISC program that emerges from Congress, or whether he will express his veto.

Mr. Max Saltsman (Waterloo): Has the Prime Minister been able to indicate to the American government, the President or his representatives the damage that will be caused to manufacturing in Canada by the introduction of the DISC program?

Mr. Trudeau: Mr. Speaker, I do not know if I understood the hon. member well. If the hon. member is asking about the extent of the damage which might be caused, then in so far as that question is not hypothetical it has just been

answered by the Minister of Industry, Trade and Commerce.

Mr. Stanfield: He said he did not know.

Mr. Trudeau: He said that we cannot make at this time any precise assessment because this is based on a series of hypothetical actions by a foreign government.

Mr. Saltsman: Mr. Speaker, the right hon. gentleman's answer leaves me in some doubt as to how the Canadian government can bargain with the United States when we cannot tell them in any reasonable way what the effects of the DISC program will be.

Mr. Speaker: Order, please. Would the hon. member please ask his supplementary. I believe he has been recognized for that purpose.

Mr. Saltsman: Mr. Speaker, may I then ask if the Prime Minister, before meeting with the President, intends to have some assessment made of what the potential damage to the Canadian manufacturing industry will be so he can indicate that to the President?

Mr. Pepin: Mr. Speaker, I will try to answer this question by repeating what I just said. It is terribly difficult to know what will come out of the United States Congress by way of a DISC program. One day we read in the papers that President Nixon is threatening to veto the tax bill. Today we read in the same papers that the employment tax credit may not go through—

Mr. Speaker: Order, please.

Mr. Pepin: —that it might not become law.

Mr. Speaker: Order, please.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, will the Prime Minister tell the House if the government's plans in this regard to assist Canadian exporters will be presented as amendments to amendments to the tax bill through the usual rubber stamp process?

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South. There are a number of supplementaries to be asked but I think that in fairness we should complete the first round of questioning, after which I will return to the hon. member for Calgary North and the hon. member for Fundy-Royal.

* * *

INDUSTRY

REDUCTION OF OPERATIONS AND LAY-OFFS BY CONSOLIDATED BATHURST LIMITED—STEPS TO ASSIST COMMUNITY

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Prime Minister. In view of press reports quoting the Prime Minister as saying last night in Toronto that Canada's economy is booming, may I ask whether he is aware that Consolidated Bathurst in Bathurst, New Brunswick, is laying off 450 mill workers and is closing down its woods operations with the expectation that there will be 1,400 people out of work in that small community? What steps is the government taking to save that community from the disastrous situation into which it is now plunging?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have been in communication with the New Brunswick government. I have spoken to the Premier myself. The Minister of Regional Economic Expansion or the Minister of Manpower and Immigration—I am not sure which. We sent an official down who is there now and who is trying to assist in finding ways to combat this unemployment.

Mr. Lewis: May I ask the Prime Minister whether, when he spoke to a black tie dinner of Canadians of Italian origin in Toronto last night, he tried to find out how many new Canadians of Italian origin in Toronto are out of work and expect to be unemployed this winter?

Mr. Speaker: Order, please.

[*Later:*]

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I should like to put a supplementary question to the Prime Minister in connection with the lay-offs at the Consolidated Bathurst Limited.

Could he assure us that the Department of Manpower and Immigration will speed up the manpower services at the local office of the Consolidated Bathurst Limited, in order to lessen as much as possible the social inconvenience suffered by those families?

Mr. Trudeau: Yes, Mr. Speaker, the question is quite relevant and I have obtained the assurance that an official is already on the spot to look after that matter.

[*English*]

PULP AND PAPER—ASSISTANCE TO NEW BRUNSWICK IN MAKING SURVEY

Mr. Thomas A. Bell (Saint John-Lancaster): Mr. Speaker, my question is supplementary to the first question asked by the hon. member for York South. May I ask the Prime Minister whether, in addition to what he has said the government is doing and particularly in view of Premier Hatfield having shown great leadership in going ahead with a survey of the pulp and paper industry—

Mr. Speaker: Order, please. I wonder whether the hon. member is now asking a question. I have the impression that latest supplementaries have been more in the form of debate than supplementary questions. If the hon. member has a question by way of supplementary inquiry, he should ask it now.

Mr. Bell: Mr. Speaker, I was thrown off track by the reference to Italians. I should like to get back to New Brunswick and to the original question. Since the province of New Brunswick is making a full survey of the pulp and paper industry will the federal government, in a particular way, offer its good services in connection with this whole matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sorry the hon. member was cut off when he was telling us how Premier Hatfield was showing leadership.

Mr. Speaker: Order, please. The right hon. Prime Minister will be recognized for the purpose of replying to the latter part of the question asked by the hon. member for Saint John-Lancaster.

Mr. Bell: Mr. Speaker, the Prime Minister came all the way back from Toronto; surely we all want to hear what the Prime Minister has to say on every occasion.

Some hon. Members: Hear, hear!

Mr. Hees: Get the feathers out of your mouth, Pierre.

Mr. Trudeau: It is very nice to be made welcome by members of all parties on my return.

Some hon. Members: Hear, hear!

Mr. Hees: Feathers and all.

Mr. Lewis: Do not read too much into such comments.

Mr. Trudeau: Mr. Speaker, the feathers I had were from a hat. The horse feathers are on the other side.

An hon. Member: Horse feathers?

Mr. Trudeau: Perhaps I should say donkey feathers. The question can be answered by reminding the House that we are having a meeting on Monday morning with representatives of the pulp and paper industry and we hope to come to grips with many of these questions.

Mr. Baldwin: After that kind of answer, you might as well go back to Toronto.

Mr. Speaker: Order, please. A number of hon. members are seeking to ask supplementary questions. I am not sure whether they are supplementary to previous questions. I think we should complete the first round of questioning by recognizing the hon. member for Témiscamingue and then we will try to sort out all those supplementaries.

* * *

[*Translation*]

TRADE

INQUIRY RESPECTING COMMERCIAL AGREEMENTS WITH ALGERIA—INTEREST RATE ON LOANS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the hon. Minister of Industry, Trade and Commerce.

Since his recent visit in Algeria, have trade agreements been entered into with Algeria for the exchange of products?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, if the hon. member is thinking in terms of private exchanges, there have been some; I could not mention all of them here. If he is thinking in terms of public exchanges, there have been agreements indeed. The Export Development Corporation, which had already committed $50 million for certain projects in Algeria has allocated another $10 million for a short-term loan with a banking agency of the Algerian government. And Mr. Aiken, the president of the company, told me when I went to Algiers that he was willing to finance exports to Algeria, to the extent of some $100 million, provided interesting projects were submitted to him.

Mr. Caouette: A supplementary question, Mr. Speaker.

Can the minister tell us at what rate of interest those loans of $50, $60 or even $100 million will be granted?

Mr. Pepin: At the normal commercial rate, Mr. Speaker. There are no subsidies with regard to the rates of interest, except, of course, in the case of CIDA projets; these are special in that they represent assistance to underdeveloped countries.

* * *

• (11:40 a.m.)

[*English*]

STATISTICS

DEVELOPMENT BY UNITED STATES AND CANADA OF COMMON FORMULA FOR REPORTING FINANCIAL DATA

Mr. Speaker: The hon. member for Fundy-Royal on a supplementary.

Mr. R. Gordon L. Fairweather (Fundy-Royal): My question might stand on its own, Mr. Speaker, but it flows from earlier questions on the matter of DISC and so on. I have given the minister notice, short notice, but notice. Are Statistics Canada and the Department of Commerce of the United States working on an urgent basis on developing some agreed-on formula for reporting statistics, particularly financial data, so that the differences in things like balances of payments, which now amount to several hundreds of millions of dollars, will at least be subject to a common denominator in statistical data?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Such difficulties are not confined to relations between Canada and the United States; the problem exists all over the world because of the difficulty in establishing such statistics. As a matter of fact our two countries have been working on it for a number of years and, during his recent visit to Ottawa, Mr. Stans, American Secretary of Commerce, suggested that special efforts be made in that regard. Since then, we have sent one of our experts to Washington and he is presently attempting to clear the ground with his American counterpart.

[*English*]

Mr. Fairweather: A supplementary question.

Mr. Speaker: Order, please. I might mention that for the moment perhaps this should be the last supplementary on this point. I will then recognize the hon. member for St. John's East.

Mr. Fairweather: Do the United States and Canada now agree on the totals of their respective balances of payments?

[*Translation*]

Mr. Pepin: Mr. Speaker, our present way of dealing with conflicts is to put the point of view of Statistics Canada on

one side of the page and on the other, that of the Secretary of State for Commerce of the United States.

* * *

[*English*]

GOVERNMENT AGENCIES

REQUEST FOR COMMITTEE EXAMINATION OF CHAIRMAN AND DIRECTORS OF CANADA DEVELOPMENT CORPORATION AS TO VIEWS ON ECONOMIC MATTERS

Mr. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Prime Minister. In view of what appears to be a tendency on the part of the Canadian investment community to invest Canadian risk capital in American ventures in Canada, an example of which was the sale by the chairman of the Canada Development Corporation of his firm to American interests prior to his appointment, is the Prime Minister willing to refer this matter to the Standing Committee on Finance, Trade and Economic Affairs so that the committee may have an opportunity to examine the chairman and the board of directors with regard to their views on investment and other important economic matters so vital to Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly ask the House leaders to consider this matter when they have begun to talk to each other once again.

Mr. Baldwin: I rise on a point of order, Mr. Speaker. As usual, the Prime Minister is as usual at the south pole when I am at the north pole. I referred only to Bill C-259 on which the government is employing its bulldozing tactics.

REQUEST FOR COMMITTEE EXAMINATION OF MAJOR APPOINTEES AS TO ATTITUDES AND VIEWPOINTS

Mr. James A. McGrath (St. John's East): I have a supplementary question for the Prime Minister. Since government agencies such as the CDC have such a tremendous influence on the economy and investment in Canada, would the Prime Minister agree to a system whereby major appointees to agencies such as the CDC might come before a standing committee of the House to be examined as to their attitudes and viewpoints?

An hon. Member: And conflicts of interest.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that would be a step toward the presidential system and everyone knows I am against the presidential system.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Will the hon. member for Mackenzie resume his seat? I have noticed him. I have also noticed that he is getting very impatient. He will be recognized in a moment but unfortunately not now. I have to recognize the hon. member for St. John's East first.

Mr. McGrath: Because of the growing tendency by Parliament to delegate authority and tremendous powers to agencies such as the CDC—and it is only in these cases that it would be relevant—surely the Prime Minister would be prepared, without departing from our customs or our system, to consider referring these appointees to a standing committee of the House, such as the Standing Committee on Finance, so they may be examined with regard to their views on economic matters and any possible conflict of interest that might exist?

Mr. Trudeau: Mr. Speaker, that is a very searching observation. I certainly agree there is a growing tendency of seeing power exercised by administrative bodies in all our societies. The corrective I am concerned with now is less that of having Parliament exercise an overview of that authority but to make sure that the executive of government itself has some input into this power as exercised by the administrative bodies.

Mr. McGrath: Thank you, Mr. President.

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TRANSPORT

INSTALLATION OF FLASHING LIGHTS ON RAILWAY ENGINES

Mr. S. J. Korchinski (Mackenzie): Thank you, Mr. Speaker. My frustration tends to make me understand Your Honour's frustration. I want to direct my question to the Minister of Transport. On several occasions I have asked the minister whether he would take up the question of flashers on railway engines. He said he would take it under advisement and suggested that the railways perhaps should consider them. Since then, unfortunately, I have lost several friends. I want to ask the question: when in hell are we going to start with this?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am afraid I cannot answer that either in the same kind of language or otherwise. In the first instance, it is a matter for the railways. What I undertake to do for the hon. member, in addition to having conveyed his questions to the railways, is to determine if the CTC can perhaps incorporate the use of flashing lights as part of their current study of the whole question of railway safety. I will see that this question is passed on to them immediately.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—REQUEST THAT PRIME MINISTER ANNOUNCE POLICY BEFORE MEETING PRESIDENT NIXON

Mr. John Burton (Regina East): I wish to direct a question to the Prime Minister. In view of the right hon. member's statement to the House on Wednesday that the government's position on foreign owenership is known to the government, will the Prime Minister consider making the government's position and policy known to the House and the public of Canada before his meeting and discussions with President Nixon next Monday?

Right Hon. P. E. Trudeau (Prime Minister): As the House is aware, Mr. Speaker, we did consider this alternative, but I announced to the House and I believe the Minister of National Revenue also made the point that we found it advisable to have the government's policy statement appear at the same time as the background material, which we will do.

Mr. Burton: In view of the importance of this subject to the people of Canada, will the Prime Minister consider making his position known to the public before Monday and then proceeding with the publication of background studies at the earliest possible date, recognizing the technical difficulties involved?

Mr. Trudeau: We have considered that point, Mr. Speaker. We took another position mainly because there is such misinformed discussion on this whole subject of foreign ownership that we wanted the policy statement and background material to appear at the same time.

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EXTERNAL AFFAIRS

MEETING BETWEEN PRIME MINISTER AND PRESIDENT NIXON—DISCUSSION OF APPOINTMENT OF NEW UNITED NATIONS SECRETARY GENERAL

Mr. Steven E. Paproski (Edmonton Centre): I have a supplementary question to that of my leader. It is with regard to the Prime Minister's visit with Mr. Nixon.

Mr. Speaker: Order, please. I am not sure how the hon. member is asking the question. Perhaps I got up a little too soon. I got the impression he was asking a question of his leader.

Mr. Paproski: My question is supplementary to a question asked by my leader. Does the Prime Minister plan to discuss the appointment of a new Secretary General of the United Nations and is it true that the Prime Minister favours the appointment of Issofou S. Djirmahoye of Niger as the successor to U Thant?

Mr. Speaker: I am not sure whether the question is in order. I must say that the purport of the question escapes me so it would be difficult for me to make a ruling on it.

MEETING BETWEEN PRIME MINISTER AND PRESIDENT NIXON—SUBJECTS ON AGENDA

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question. In view of the fact that several members, starting with the Leader of the Opposition, have asked questions of the Prime Minister as to what discussions will take place with the President of the United States, will the Prime Minister now tell us, as this will be the last opportunity for us to ask him, if he has a program of the items he will discuss with the President and what priorities in that program he will be discussing?

• (11:50 a.m.)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I cannot give those details at this time, mainly because I do not have them.

[Mr. Burton.]

Mr. Woolliams: Mr. Speaker, would the Prime Minister consider as one of the priorities that he will discuss with the President of the United States the subject of energy, in light of the fact that before a standing committee this morning it was admitted by the Energy Board that reserves in the Arctic were not taken into consideration when the board vetoed the four applications for licences to export natural gas to the United States?

Mr. Trudeau: Yes, Mr. Speaker.

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PROVINCIAL AFFAIRS

NEWFOUNDLAND—COMMUNICATION BY FEDERAL GOVERNMENT WITH LIEUTENANT GOVERNOR CONCERNING SITUATION FOLLOWING ELECTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Prime Minister. I ask him whether or not there has been any communication between the government of Canada and the Lieutenant Governor of Newfoundland in connection with the situation created by the action of the premier of that province in hanging on to office having been defeated at the polls?

Right Hon. P. E. Trudeau (Prime Minister): I do not know, Mr. Speaker, if there has been any communication by any minister. As for myself, I know I have not communicated and therefore I would assume that the Governor General would not have communicated with the Lieutenant Governor. I will inquire as regards other ministers.

Mr. Diefenbaker: Mr. Speaker, the Governor General would have nothing to do with it so we can exclude him. I ask the Prime Minister, having regard to the pirouettes that Mr. Smallwood has been dancing with constitutional practice, whether the government or the Prime Minister would direct to the Lieutenant Governor of the province of Newfoundland his constitutional responsibilities, that Lieutenant Governor owing his appointment, of course, to the government of Canada?

Mr. Trudeau: Mr. Speaker, it seems to me a rather shaky constitutional doctrine, but I will certainly look into the matter. If indeed I have the authority to direct a Lieutenant Governor of a province to do certain things, perhaps I will avail myself of that opportunity.

Mr. Diefenbaker: Mr. Speaker, I did not direct him to do that: I said, let him know what the constitutional practice is.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the fact that Lieutenant Governors are appointed by the Governor General and hold office subject to his pleasure, and in view of the fact that the Governor General acts on the advice of his ministers, may I ask the Prime Minister whether he intends to have a discussion with the Governor General as to what advice he might give?

Mr. Trudeau: Mr. Speaker, is the question related to the previous one about advice that the Governor General might give to the Lieutenant Governor?

Mr. Knowles (Winnipeg North Centre): Yes, that is correct.

Mr. Trudeau: Mr. Speaker, I do not share the hon. member's view that that is the correct constitutional position, and I am glad to be supported by the right hon. gentleman from Prince Albert who said that the Governor General has nothing to do with it.

Mr. Knowles (Winnipeg North Centre): Has either of the right hon. gentlemen read the constitution lately?

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I will recognize the hon. member for St. John's East on a last supplementary, but I must bring to the attention of hon. members the fact that we will soon be running short of time and there are quite a few members who have not had an opportunity to ask a question. If we spend too much time on supplementaries and I have to make too many observations, we will run out of time.

Mr. McGrath: Mr. Speaker, I have a supplementary question for the Minister of Transport. Has the minister been consulted on this matter either by the Premier of Newfoundland or the Lieutenant Governor?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, perhaps you had not realized it but, with all deference, I think this question is not within my competence. However, the answer is no.

Mr. Speaker: Order, please.

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[*Translation*]

BANKRUPTCIES

INCREASE IN BUSINESS FAILURES—INQUIRY AS TO PREVENTIVE MEASURES AND REPORTS

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to put a question to the hon. Minister of Consumer and Corporate Affairs.

In view of the increasing number of bankruptcies in Canada and the considerable loss of tax revenues they represent for the government, which amounted to $190,-173.01 for the last twelve months, could the hon. minister say whether the Bankruptcy Branch succeeded in preventing many bankruptcies or whether it published reports?

[*English*]

Hon. Ron. Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, there was a report tabled earlier this year proposing revisions to the Bankruptcy Act. This is being studied and representations are being received.

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AIRPORTS

COMPLETION OF NEW TERMINAL AT TORONTO INTERNATIONAL—DECISION ON SITE OF NEW FACILITY

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I should like to ask the Minister of Transport whether any extraordinary steps have been taken to expedite the completion of the second terminal at the Toronto International Airport, and can the minister inform the House when we may expect a decision on the site for a second airport for Toronto and the neighbouring area?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, as to the first question, the situation is that we have changed the contract with the contracting company to employ a very substantial additional number of workers and increase the pace of the work over the winter. This will have the double objective of getting more people to work and getting the first section of the terminal open by April and the full terminal open by June. In regard to the second question, the answer is the same as I gave a week ago.

May I have the indulgence of the House to add to an answer I gave a few moments ago to the hon. member for Mackenzie, Mr. Speaker?

Mr. Speaker: Perhaps we might return to that question in a moment. The Chair will recognize the hon. member for Egmont.

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AIR TRANSPORT

SUGGESTED CONTINUATION OF SERVICE TO SUMMERSIDE, P.E.I. BY EASTERN PROVINCIAL AIRLINES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is also for the Minister of Transport. In view of the recent decision to review the situation in regard to suspending Eastern Provincial Airlines service to Summerside in light of EPA once again carrying air mail, and since there is a very short period of time here, I wonder whether or not the minister would request Eastern Provincial to continue its service since the original suspension date was for early in January. Second, has the minister conferred with Eastern Provincial officials and considered with them the possibility of continuing service under these new circumstances?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have done neither because I am in the awkward position, as the hon. member knows, of having been advised formally that I will be receiving an appeal from the decision of the CTC. In view of those circumstances it would not be proper for me to consult with the parties in advance of receiving the appeal. Given these new circumstances, I will look into the matter and see what I can do to accommodate the hon. member.

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INDUSTRY

U.S.-CANADA AUTO PACT—POSSIBLE CANADIAN AGREEMENT TO SUSPEND SAFEGUARDS FOR TWO YEARS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Two days ago it was denied in the House that the Secretary of State for External Affairs had said there

was an agreement involving suspension of the safeguards in the auto pact between Canada and the United States for two years. My question for the minister is: Has such an agreement been reached, and is the position being put forward by the government of Canada to the United States one that would involve a suspension of the safeguards in the auto pact for two years?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): There is no such agreement, Mr. Speaker. I do not know what the Secretary of State for External Affairs could have said to lead to that interpretation, but there is no agreement on the auto pact between Canada and the United States at this time. If there should be an agreement it will be announced in the proper way.

Mr. Broadbent: Mr. Speaker, I suspect that the minister misheard my question. Is the government proposing to the United States—I did not ask whether it had reached an agreement with the United States—a suspension of the safeguards in the auto pact for a two-year period?

Mr. Pepin: Mr. Speaker, what our position will be on this matter is not to be announced this morning.

Mr. A. D. Hales (Wellington): Mr. Speaker, I have a supplementary question for the Minister of Industry, Trade and Commerce. Following his meeting yesterday with mayors of Ontario cities—Kitchener, St. Catharines and others—who are very concerned about removal of the safeguards in the auto pact, can the minister advise the House whether he sent the mayors home with the assurance that the safeguards will be maintained?

Mr. Pepin: I have not yet learned to read faces, Mr. Speaker.

CANADA-U.S. AUTO PACT—REQUEST FOR SUBMISSION OF PROPOSALS TO PARLIAMENT BEFORE FINAL DECISION TAKEN

Mr. Max Saltsman (Waterloo): I have a supplementary question for the Minister of Industry, Trade and Commerce. Will he assure the House that no agreement will be made or final decision taken until he brings the proposals to Parliament?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I said something to that effect on May 21, 1970, I think it was.

CANADA-U.S. AUTO PACT—CONCESSIONS SOUGHT BY CANADA FOR REMOVAL OF SAFEGUARDS

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. We are running short of time but I will recognize the hon. member for Prince Edward-Hastings on a supplementary.

Mr. Hees: Would the minister advise the House what concessions the Canadian government is trying to persuade the United States government to give in payment for removal of the safeguards in the auto pact, which it is obviously trying to do?

[Mr. Broadbent.]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the position on that is that the United States has a number of minor "irritants" with Canada on the auto pact for example and similarly we have a number of minor "irritants" as far as the United States is concerned. We will try to solve as many as possible during subsequent days.

• (12 noon)

CANADA-U.S. AUTO PACT—PRESSURE BY UNITED STATES FOR REMOVAL OF TAX ON VEHICLES IMPORTED INTO CANADA BY INDIVIDUALS

Mr. S. Perry Ryan (Spadina): I have a supplementary for the Minister of Industry, Trade and Commerce. Are United States officials pressing Canada to remove the 15 per cent tax imposed on vehicles imported by individuals into Canada from the United States and, if so, what is the position taken by the government?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): This is part of the discussion in connection with the automotive agreement. The United States officials think that the safeguards, including the ratio, the Canadian value added and the tariffs were temporary. We say that the tariffs, at least, were a permanent feature of the agreement. This is part of the discussion which is going on between the two governments. Any reaching of a conclusion will be announced in the proper way. I was referring a moment ago to the answer I gave in May, 1970, when I said I would take the House into my confidence before finalizing anything on the auto agreement with the United States.

Mr. Max Saltsman (Waterloo): May I ask the minister to clarify what he means by taking the House into his confidence? Does he mean that no final decision will be made until approval has been given by the House?

Mr. Pepin: No, Mr. Speaker. I remember vividly I said no to that question. The hon. member commented, at the same time, "How frank can the minister be?". I did not say that I would ask for approval of the House. I said I would take the House into my confidence, but a decision would not be conditional on the approval of the House.

Mr. Speaker: Order, please.

Mr. Ryan: Is the government determined to maintain the embargo against the importation of used cars into Canada by individual Canadians?

Mr. Pepin: That is one of the positions which will presumably be taken by the United States negotiators. They feel that the tariff and embargo on the flow of used cars between Canada and the United States is not necessary. That is not the position I take.

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INDUSTRIAL DEVELOPMENT BANK

SUGGESTED ACTION TO BRING INTEREST RATES IN LINE WITH THOSE OF COMMERCIAL BANKS

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Minister of Finance. In his absence perhaps I

can direct it to his parliamentary secretary. It relates to a question asked about two weeks ago in the House by my hon. friend from Wellington. It had to do with the interest rates charged by the Industrial Development Bank. Will the government take steps to ensure that interest rates charged by the Industrial Development Bank are at least brought into line with those charged on comparable loans by commercial banks so that the IDB can carry out the duties it was intended to carry out?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): I will be glad to look into the matter and report to the hon. member later.

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EXTERNAL AFFAIRS

MEETING OF PRIME MINISTER AND PRESIDENT NIXON—DISCUSSION OF PAVING OF ALASKA HIGHWAY

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is really supplementary to a previous question addressed to the Prime Minister concerning his forthcoming visit with President Nixon. It has to do with the paving of the Alaska highway. In view of the large number of jobs such a project would create, and in view of the fact that negotiations have been going on between Canada and the United States concerning the paving of the highway and that the Canadian government has made a proposal to the United States with regard to it, would the Prime Minister place this matter on the agenda in the hope that an agreement can finally be reached between the two countries concerning a cost-sharing program for the paving of this highway?

Right Hon. P. E. Trudeau (Prime Minister): I thank the hon. member for the suggestion. I will certainly consider it.

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[*Translation*]

INDUSTRY

REPRESENTATIONS TO CANADA DEVELOPMENT CORPORATION TO PREVENT SALE OF LA PRÉVOYANCE TO UNITED STATES INTERESTS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a question for the right hon. Prime Minister. I consider it to be urgent and important in view of the increasing rumours about a sale of La Prévoyance insurance company to American interests. Since the Canadian Development Corporation now has a Board of Directors, does the Prime Minister intend to call on that government agency to prevent the sale of that Quebec insurance company to a foreign concern?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have had an opportunity of discussing the matter with the Minister of Finance. He has explained that as the company involved is incorporated under provincial legislation the federal government itself cannot intervene as it does in the case of insurance companies incorporated under federal legislation. In this case, then, it would rather be the responsibility of provincial authorities.

As to the second part of the question, concerning the Canada Development Corporation, I must say I am rather surprised that the hon. member would already want the government to interfere and tell this Corporation how to operate. This was not our purpose in establishing the Canada Development Corporation. However, I will consider the hon. member's suggestion.

Mr. Valade: Mr. Speaker, I have a supplementary.

I would like to ask the Prime Minister whether this new government agency has a duty to try and invest in Canadian companies in order to prevent their falling into foreign hands. If this is the case, can the agency prevent this sale, and can they themselves see to the interests or to the purchase of La Prévoyance?

Mr. Trudeau: Mr. Speaker, this is one of the objectives of the Canada Development Corporation, and just in case they might not be aware of the possibility suggested by the hon. member, maybe the government could bring this matter to their attention.

* * *

[*English*]

TRANSPORT

MOVEMENT OF FEEDER CATTLE BY RAIL—REQUEST FOR INVESTIGATION BY STANDING COMMITTEE

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister carrying out an investigation into the movement of cattle by rail from western Canada to eastern Canada and, if he is, will he consider referring the whole matter to the Transport Committee. We could then call representatives of the railways before us and inquire into the difficulties which have arisen this fall particularly and which have been very detrimental to the movement of feeder cattle.

Hon. Donald C. Jamieson (Minister of Transport): I think that makes sense, Mr. Speaker. I did it with regard to the grain movement, and I see no reason the railways should not be asked to give an explanation with regard to cattle. I am looking into the specific matter raised yesterday by the hon. member for Meadow Lake.

* * *

• (12:10 p.m.)

NATIONAL DEFENCE

USE OF SUPERSONIC AIRCRAFT IN EXERCISE—COMPENSATION FOR DAMAGE DONE BY SONIC BOOMS

Mr. Doug Rowland (Selkirk): Mr. Speaker, I wish to direct this question to the Minister of National Defence. It arises out of a news release concerning a joint strategic air command exercise which is to take place over eastern Canada and the United States on December 7 and 8. The news release indicates that some of the fighter aircraft may achieve supersonic speeds and that residents may

hear sonic booms. Has a procedure been established for compensation for any damage that may be done?

Hon. Donald S. Macdonald (Minister of National Defence): There will be no special procedure instituted. There has, however, been an ongoing policy in this regard which would provide compensation.

INQUIRY AS TO POSSIBLE CHANGE IN CANADA'S NATO COMMITMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of National Defence. Since he is about to depart for talks in Europe, can the hon. gentleman indicate to the House whether or not he will carry with him any specific instructions from the government to change any of the basic positions which Canada now assumes within NATO?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, it will be a matter of confirming with the other NATO states the increase in our NATO contribution indicated in the white paper.

Mr. Speaker: Order, please. I should indicate that we have reached the end of the question period, although we might try to recognize a few hon. members who have been trying for a few days to ask questions. The hon. member for Nickel Belt.

* * *

WILDLIFE

INQUIRY AS TO INTRODUCTION OF ACT

Mr. Gaétan-J. Serré (Nickel Belt): Thank you, Mr. Speaker. I have a question for the very able Minister of the Environment. Can the minister tell us when he expects to introduce a new Canadian wildlife act and can he indicate whether there will be provisions for assistance, financial and otherwise, for bird sanctuaries or wildlife refuges which, if properly assisted, could contribute greatly to the conservation of our wildlife and the education of our people in conservation?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I hope it will be possible to introduce an act along those lines at the next session of Parliament.

Mr. Speaker: Perhaps we should not have a supplementary on this matter which really does not appear to be too urgent. The question itself could have waited for 24 hours or 48 hours. We have reached the end of the question period.

* * *

TRANSPORT

INSTALLATION OF FLASHING LIGHTS ON RAILWAY ENGINES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wonder if the Minister of Transport might be permitted to complete the answer he was trying to provide me when he indicated he had some further information.

[Mr. Rowland.]

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I merely wanted to update the answer and say that the Canadian Transport Commission, since the question was asked this morning, has advised me in fact that they have had consultations during the last month with Canadian National and Canadian Pacific with a view to getting the most appropriate kind of flasher. It is not a question of whether it should or should not be used. It is a question of the most appropriate one. I will have a full report within a couple of days.

Mr. Speaker: Orders of the day. Is the minister rising on a point of order?

* * *

BUSINESS OF THE HOUSE

ANNOUNCEMENT OF OPPOSITION DAY

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to adivse the House that next week we will have the last opposition day. At the moment it is planned to call it on Thursday of next week.

Mr. Speaker: Orders of the day.

• (12:20 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Thursday, December 2, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon amendments to that act—Mr. Benson—Mr. Laniel in the chair.

The Deputy Chairman: It is the understanding of the Chair that the committee will resume consideration of the sections dealing with capital gains. The group of sections as listed at page 9251 of *Hansard* for November 2, 1971 includes sections 38 to 55 inclusive, sections 3, 9, 71, 73, 85, 87, 88, 89, 96 and 111. Section 9 of this group was adopted on November 2, 1971.

On Clause 1—section 38—*Meaning of taxable capital gain and allowable capital loss.*

The Deputy Chairman: Shall section 38 carry?

Mr. Horner: Mr. Chairman, in rising to speak in this debate, I wish first of all to quote from *Hansard* the remarks of the President of the Privy Council, as recorded at page 10,077:

We have attempted to maintain a flexible attitude toward the bill. We have listened to the representations made in the country and in the committee with respect, for example, to the taxation of co-operatives and credit unions. I am happy to state that when we go into the committee we will be moving a series of major amendments—

Since the government has invoked closure, I hope that the remaining four days will not be completely wasted in discussions about matters of little value or use. I hope the government has a flexible mind and will consider certain changes in respect of the application of the capital gains provisions, such as sections 29 and 39, which apply to the agriculture industry. As recorded at page 9442 of *Hansard*, I posed a question to the parliamentary secretary—

The Deputy Chairman: Order, please. The hon. member for Winnipeg North Centre is rising on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order I had thought of raising earlier. In view of the reference just made by the hon. member for Crowfoot, I think it should be raised. I believe it was understood that the debate today would include, not only capital gains in general, but more particularly capital gains as related to farmers. I thought sections 28, 29, 30 and 31 were also in the general area we are discussing. The hon. member for Crowfoot has just mentioned one of them. I agree with him, but it struck me that we should have this understood. In other words, are we discussing today the principle of capital gains generally or are we discussing the farm situation and capital gains as it applies thereto and the whole question of the basic herd. I thought it was to be a farm day.

Mr. Benson: Mr. Chairman, we are quite willing to discuss both.

Mr. Knowles (Winnipeg North Centre): Then, Mr. Chairman, perhaps you would identify clauses 28, 29, 30 and 31, because we agree with the Minister of Finance that the discussion is on both capital gains generally and farm problems as well.

Mr. Benson: It is quite agreeable to the government.

The Deputy Chairman: In that case, does the committee agree that I invite discussion also on sections 28, 29, 30 and 31 dealing with farming which was also considered on November 9, 1971. I wonder if the committee would wish the Chair, when putting these questions if we ever reach that proceeding, to put them at the end of the list I have already given.

Some hon. Members: Agreed.

Mr. Horner: Mr. Chairman, I was just about to read from page 9,442 of *Hansard* where I put a question to the Parliamentary Secretary to the Minister of Finance. I shall not read the whole question. I dealt with the subject matter of the introduction of capital gains and how it applied to the basic herd. I said:

Regarding the change in the basic herd concept, could the parliamentary secretary indicate whether I am correct in assuming that this provision was brought about because of the introduction of the capital gains tax?

The parliamentary secretary replied:

Yes, Mr. Chairman. It is the view of the government that with the introduction of a capital gains tax the need for the basic herd is greatly reduced or eliminated.

On those particular days, November 8 and 9, we dealt with this matter at length. The government was good enough to accept the suggestion we made on November 9 that section 29 should be allowed to stand until they reconsidered our suggestion. I would like to think that in the intervening time they have reconsidered their position. I pointed out that, in essence, there is a capital gains tax in the United States but they still have the basic herd concept, the capital asset concept. This proves conclusively to me that, with the introduction of the capital gains tax, it may still be useful to the agriculture and livestock industries to maintain the basic herd concept. If our competitors in the country to the south of us are maintaining it, and we are all in the North American market, we should have the same privilege here in Canada.

Much has been said in this House about the agriculture industry and the plight of the farmers, but I find that more and more words of concern for the agriculture industry fall upon deaf ears. Farmers today are the forgotten part of our society. I suppose that this has come about partly because farmers have cried wolf too long and too often, and governments of one stripe or another have become more or less immune to those cries and have rejected them. Surely, we must concern ourselves with the major employer in Canada, namely, the agriculture industry. I was reading a publication recently in which it was said that a dollar spent in agriculture has the greatest multiplying factor in the creation of jobs, more than in any other industry. I notice that my remark caught the ear of the Minister of Industry, Trade and Commerce, and I am glad it did because he knows about the multiplying factor of dollars spent in industries in the creation of jobs in our society. Surely, it has been known for a long time that if you give the farmer a dollar he will spend it on machinery, and this creates opportunities and jobs for Canadians which we really need.

So, as much as the government would like to say, to heck with the farmer and his problems, we should concern ourselves with him if we want to create jobs and opportunities for the other segments of our society. It has been said many times that the farmer lives poor and dies rich. Why is this so? It has often been said also that farming is not a way of life, it is a business. To me, the farming industry is still a way of life. A farmer owns his land and works on it. He does not keep track of the hours he spends on farming. Sometimes he works ten hours a day, then goes out after supper and works for another five or six hours fixing something in the yard or some machinery in the shop. He does not count how many dollars he receives per hour, and in many instances these extra hours which he spends working on the farm go into maintaining the farm and increasing its wealth as an establishment, increasing the value of the farmstead. He does not reap the value of that farmstead until he passes it on to someone else.

I remember going to visit a well known farmer in the Ottawa district. He had two big pictures hanging on the wall of his living room. One showed the farm when he first bought it and the other one was of the farm after he had had it for 20 years. There was a tremendous difference between the two pictures. The farmhouse and barn

were dilapidated when he bought them. In 20 years, he had improved the farmstead immensely. All this takes extra time and labour by the farmer and his entire family. They all do it willingly, and they do not count the number of dollars per hour. But when the capital gains tax is applied against that farmland, the farmer must somehow or other account for the great improvement in the value of the farm and explain why he should not pay tax on it. It seems to me that it is a rather cruel piece of tax legislation which says that you have a $1,000 exemption per year if you are living on the land, but it does not apply if you are not living on the land.

Many farmers throughout Canada have had to move into town in order to be in close proximity to the schools or universities which their children attend. Many farmers want their children to have a good education. They leave the farm for what they consider to be a temporary period, and they go back to it every weekend or in the summer. Sometimes the husband is on the farm every day, but he is not living there. Since he is not living on the farm, when he dies or when he wishes to pass on the farm to the next generation, he will not receive the $1,000 exemption. I wonder if the minister could tell us how many dollars the government hopes to acquire from the removal of the $1,000 exemption in such cases where the farmer is not living on the land.

Mr. Benson: First of all, I should like to say that what the hon. member said is not correct. If the farmer moves into town and, as my hon. friend said, he spends the summer on the farm and has a home there, that can be his residence; he can opt that that is his residence and thus obtain the $1,000 exemption.

Mr. Horner: I am pleased that the minister has clarified the position. However, there is still the question of the improvements that he has made to the farm and whether or not he will stay on the farm. It depends on whether he wishes to divide up the farm. There may be more than one child in the family and the farmer may want to divide the farm among three or four children. It is very difficult for some people to understand that every member of the family makes a contribution to the increased value of the farm, and each one should receive some benefit from this growth. Many a farm boy has contributed much work in building up the farm, but when his father and mother die he cannot acquire any portion of that farmland without the capital gains tax being applied.

There is one other question which I wish to put to the minister, and I sincerely hope he will take an interest in this problem. We had the report of the Barber Commission on the prices of farm machinery. The commission turned out 11 or 12 volumes and spent $3 million studying the matter. This tax bill will do more to increase the price of farm machinery than anything else. The Barber Commission report has not contributed to lowering it. The Barber Commission studied the contributing factors to increase in the price of farm machinery, but this tax bill will cause a rapid rise in those prices because in this tax bill the minister will tax that portion the cost of machinery which is fully depreciated, but which will be regained on resale or trade-in. What amount of money does the minister hope to gain by not exempting from the capital gains tax farm machinery which the farmer may sell and which is fully depreciated? The amount would be infinitesimal; it would be a very small portion of the money that the government is spending.

I hope that in the next four days the minister will consider this important matter because many farmers trade in their farm machinery, such as a combine or a tractor when it is fully depreciated. If he trades it in today, the value he receives is considered a capital gain and he does not have to pay income tax on it. I see the parliamentary secretary frowning at me. I wonder if he will rise to correct me, because this is a very important point that many farmers will learn to their regret after this bill passes. At that stage they will not have this privilege, if they are depreciating their machinery at the 15 per cent rather than the 33 per cent rate.

• (12:30 p.m.)

I agree that under the 33 per cent rate today they do have to consider it a capital gain, but under the 15 per cent rate deduction plan they do not have to consider it a capital gain, and do not have to consider it as income. If the parliamentary secretary would allow that privilege to continue I know that farmers all across Canada would appreciate it very much because they believe that the cost of farm machinery has gone up far too much in recent years. I know that the parliamentary secretary is eager to answer. If he can correct me on this, I will be glad to hear him.

Mr. Baldwin: On a point of order, Mr. Chairman, just before the parliamentary secretary rises, and I may say we will be glad to listen to him, I want to mention that we are happy to see, as was mentioned by the hon. member for Calgary North, so many members on the government side of the House for a change.

Mr. Benson: Where are your members?

Mr. Baldwin: But, Mr. Chairman—

The Deputy Chairman: Order, please.

Mr. Benson: There are only seven Tories in the House.

The Deputy Chairman: Order, please. The hon. member for Peace River is speaking on a point of order, and I hope hon. members will allow the Chair to hear him.

Mr. Baldwin: That is the very point I wanted to make. With great respect, Mr. Chairman, I would ask you to remind hon. members that this is not the place for a social hour. This is a place to gather to listen to the words that are being addressed to the Chair. I suggest that the Prime Minister and others who are here might do well to pay attention to the pearls of wisdom which are being cast by the hon. member for Crowfoot.

Mr. Benson: On the point of order, Mr. Chairman, I would say to the seven Conservatives in the House that anybody who cannot hear the hon. member for Crowfoot speaking above any kind of noise in the House must be deaf.

Some hon. Members: Hear, hear!

Mr. Baldwin: This is a real test.

Mr. Mahoney: Mr. Chairman, I think the poor attendance of the Official Opposition here today is a pretty clear indication of the genuine interest they have in the bill, and perhaps indicates that the time to terminate the debate has indeed arrived, since only seven of them appear to be with us.

Mr. Horner: On another point of order, Mr. Chairman, this petty bickering that the minister and his parliamentary secretary are indulging in does nothing for the debate, but I advise them to do their counting just a little more accurately. There are more than seven members of the Official Opposition in the house.

Mr. Gibson: Where are they?

Mr. Benson: Seven.

Mr. Horner: Just be a little more accurate, boys.

The Deputy Chairman: Order, please. These points of order and arguments not related to the bill do not help the work of the committee. I would invite hon. members to come back to the various sections that are before the committee at this time.

Mr. Mahoney: Mr. Chairman, I must apologize to the hon. member for Crowfoot. There are indeed eight Tories in the House. Now, with respect to the question that I was rising to answer when the hon. member for Peace River opened this riposte with his point of order, the hon. member for Crowfoot seems to be trying to leave the impression that a capital gain is realized when a farmer disposes of an item of farm equipment. This is no more true of a farmer disposing of an asset than it is of anybody else disposing of an asset.

The gain is the increase in value, the increase over what the item cost him, or what its base cost was, in the case of an item held at the beginning of the tax system. The gain is the increase that he receives over what it cost him, when he disposes of it. It is not the purchase price itself. I would suggest that in the case of farm equipment it would be a rare and unique piece of equipment that could be disposed of for more than it cost, and therefore capital gains will not arise in a practical sense on the disposition of items of farm equipment.

What the hon. member is confusing for a realized capital gain is recapture of depreciation, which is an income, not a capital gains item. But again, when the farmer stays in business presumably he will be acquiring additional assets of the same class as time goes on, and these recaptures of depreciation, with farmers as with other types of businessmen, generally speaking will be rolled along and absorbed in increased depreciation claims. It is only at the time that the farmer goes out of business, and disposes of all items of the assets of that particular class, that in fact the recaptured depreciation would be final and would come into taxable income, and the tax would be payable in respect of it.

Mr. Horner: Mr. Chairman, the minister and the parliamentary secretary were 16 per cent out in their counting of members in the House, and I think that the parliamentary secretary is about 16 per cent out in counting how income tax is equated by the agriculture industry. If we just had a few more people with a little basic experience in the House, then perhaps the application of the law would be better understood. If I could use the example of the income tax inspectors who come around and visit my place regularly—

Mr. Mahoney: I don't blame them.

Mr. Horner: Apparently you and your department have "sicked" them on to me from time to time.

Some hon. Members: Oh, oh!

Mr. Horner: But I might add that the last time they visited my farm they saved me some money. In fact, they were not able to find out where I owed them any.

Mr. Baldwin: To their regret.

Mr. Horner: Much to their regret and disappointment. Anybody who has been in the business of selling and buying farm machinery knows that this question comes up regularly. Recaptured depreciation is perhaps the correct term, and it has to be accounted as income. Whether or not you continue to buy tractors does not really matter if you made that income. Apparently the parliamentary secretary never had a net worth statement taken out on his operation. Maybe he has good friends in the department—

Mr. Mahoney: I have no net worth.

Mr. Horner: You have very little net worth as a Member of Parliament, and as a listener to this debate, or you would know more about the importance of net worth for a specific year to the agricultural industry.

I want to return to the subject of the basic herd. Surely, the parliamentary secretary will agree that the American cattle producer is permitted to use the basic herd concept. Mr. Chairman, we went all through this on November 9, and the parliamentary secretary finally agreed that it was two years instead of 12 months that the cattle had to be retained before they could be considered as capital assets. Now, we see the provinces of Ontario and Quebec encouraging farmers to go into the livestock industry. Although agriculture may be looked upon as the problem child in the Canadian economy, the one portion of it that has been relatively sound has been the livestock industry. Why has it been sound? It is because we have been able to compete in the North American market. Surely, the parliamentary secretary would like to think that he would allow Canadian livestock men to continue competing in the years ahead. We have placed ourselves in a very poor competitive position with Australia in the livestock industry and in an equally poor position with regard to the export of cattle to Europe, Great Britain and even Japan. Australia has the advantage of us there. If we wish to maintain our ability to provide meat and meat products to the United States, we must place our farmers in a better competitive position in comparison with farmers there.

• (12:40 p.m.)

The disallowance of the basic herd concept is one more thing that will increase taxes for the Canadian farmer, but there are few methods for increasing the price and lowering the cost of production. No matter where taxes are applied, they contribute to the cost of producing any-

thing. This bill will increase taxes to the agriculture industry on three basic inputs in the cost of production, the cost of cattle, machinery and land but will do nothing to increase the price the farmer will receive for his product.

It seems to me that the parliamentary secretary is confused about the recaptured depreciation concept for farm machinery. I should be glad to discuss this with him and show him how it works. I should also be glad to discuss the concept of the basic herd and how it appplies to the cattle industry. I suggest, too, that the capital gains tax should not be applied to farm lands used for bona fide agriculture. In relation to the total tax bill, these three items do not amount to much in dollar value and I would urge the minister and his parliamentary secretary to give them some serious consideration in the next four days. Perhaps a conference of interested people could be held and certain changes suggested.

Mr. Mahoney: You would attend such a meeting?

Mr. Horner: I would attend.

The Deputy Chairman: The hon. member for Assiniboia.

Some hon. Members: Hear, hear!

Mr. Knight: Mr. Chairman, it is a real pleasure to have an opportunity to express the views of Assiniboia in terms of this legislation which contains tax proposals that affect them. During the by-election, very grave concern was expressed to me as a candidate by many farmers on the question of capital gains in relation to farming. This capital gains tax has been reviewed and revamped in respect of its effect upon corporations ever since it was first suggested. May I take this opportunity to call upon the government to seriously consider changing the capital gains tax provision in regard to its effect upon the farmers of Canada. There are a number of ways it will restrict the ability of the farmer to make a reasonable income or to retire with dignity. May I suggest at least three areas where it does not take the farmers' situation into consideration.

There is the problem of the farmer who sells his property and buys another. I think an amendment should be accepted in this area. Then, there is the question of transfer of land within the family, when another member of the family is going to carry on farming. I think this transfer should be exempt from capital gains tax. No consideration is given to the immense amount of labour that is put into the family farm. The farmer works hard, but this is not considered when he retires and faces capital gains.

The Conservative party proposed an amendment to this particular section of the Income Tax Act which I suggest lacks application to the exact problem before us now. The amendment suggests a situation whereby western lands, or farm lands in general, are open to speculation and purchase by corporate interests. If the amendment were accepted as it stands, then the only area free of capital gains would be farm land. In such circumstances, it would be in the interests of the corporations to purchase land. Therefore, Mr. Chairman, I suggest that the government should give serious consideration to the amendment to that amendment as proposed by the hon. member for Regina East.

[Mr. Horner.]

I should like to review that amendment because of its importance to the farmers of western Canada. The amendment of the hon. member for Regina East reads:

That the amendment be amended by adding the following after the word "act":

"under the following circumstances:

1. when farm property is transferred by sale, gift or legacy to a spouse or a son or daughter or a spouse thereof when the minister is of the opinion that it is the intention of the recipient of the property to continue farming.

In that case, there should be exemption from the capital gains tax.

2. when a farmer sells farm land and uses the proceeds to purchase other farm land provided that the said farmer satisfies the minister that he intends to continue farming and that his usual principal source of income is from farming.

In that particular case, the proceeds of the sale should be exempt from capital gains tax.

3. any instance when a bona fide farmer on the sale of farm land is not allowed to invest the capital gain therefrom in a registered retirement savings plan which will result in the farmer concerned being taxed only on benefits received from the said plan as they are received; and"

I believe that should be accepted by the Minister of Finance as well.

Another aspect of this bill that concerns me is the way in which the government intends to evaluate land for capital gains. Reading through *Hansard*, one assumes that they are going to use the fair market value approach. But I do not believe, however, that this would be the best means of evaluation because fair market value, in a sense, is controlled by how much urban use is made of farm land and how much speculation is going on. The fair market value is affected by the fact that the farmer may buy an extra quarter section or half section of land at inflated prices in order to make his economic unit viable. In our society, the value of farm land is very often very volatile. I believe that the fair market value system, as used in connection with the capital gains tax, is an unreasonable system and an unreasonable method.

• (12:50 p.m.)

In conclusion, Mr. Chairman, may I say that I hope the government will consider the amendment proposed by the hon. member for Regina East. I believe the constituents of Assiniboia on November 8 told the government in no uncertain terms that they expect to see a change in the attitude of the government towards western agriculture.

Mr. Korchinski: Mr. Chairman, may I first congratulate the hon. member for Assiniboia upon the way he handled himself in what I believe was his first speech in this chamber. He spoke on behalf of his constituents and on behalf of farmers in western Canada. If I may be allowed to digress, I cannot help thinking of the time when I made my first speech and I can assure you that, as I listened to the hon. member, my thoughts went back to that time. I blush when I think of my first attempts at speaking. I congratulate the hon. member upon his endeavour and wish him well.

Some hon. Members: Hear, hear!

Mr. Korchinski: Not only do I wish him well; I hope he can understand that there are other points of view in this committee. Be that as it may, I was glad to hear the hon. member, freshly arrived here as a representative of a farming area, point out that farming communities are not entirely enamoured on the capital gains philosophy, a philosophy that his party has been espousing for a good many years. I am one who thinks that certain industries in this country are not quite ready to enjoy the luxury of paying a capital gains tax. I do not think the government can say that the country has reached that great a level of prosperity which would enable all segments of society to pay a capital gains tax, come hell or high water.

The government's policies seem to make little sense. On the one hand, it slaps on a tax which is restrictive and which will increase the costs of certain business operations and, on the other hand, it turns around and, with good intentions, attempts to pass legislation designed to assist certain industries. There is a conflict here, just as when the Minister of National Health and Welfare, on the one hand, tells us to quit smoking and the Department of Agriculture, on the other hand, provides grants for the improvement of tobacco strains. That is exactly how confusing government policies are today. On the one hand, the Minister of Finance slaps on a capital gains tax and, on the other, the Minister of Agriculture works well into the night trying to develop policies to help agriculture. The minister responsible for the Wheat Board may also be working on policies that are intended to improve Canadian agriculture.

It seems to me that these policies make little sense at this time. The government is trying to rationalize its position while at the same time slapping on taxes wholesale that will affect the agriculture industry. Why is it taxing agriculture on the one hand when, on the other hand, we must spend millions of dollars in trying to bail out that industry? It seems to me that not much revenue is to be garnered from a capital gains tax applying to agriculture. Think of the confusion that these policies create. It is certain that the industry will suffer. For years to come, every dealer in agricultural products and farm machinery will be confused. He will not know how the capital gains tax will affect him and will wonder about his position. You can rest assured, Mr. Chairman, that the farmer will not benefit in all this. First of all, the dealers are already in trouble. If they were not, one could say that they could bear the brunt of the capital gains tax. However, they are not in that position. One need only note how many dealers have gone out of business, have lost their shirts, so to speak, to see that I am correct in what I say.

The capital gains tax will be in the minds of farmers and dealers when they get together. You can almost hear the farmer saying to the dealer, "Before we make a deal, let us figure out exactly how the capital gains tax will operate. Let us see what the situation will be with regard to this deal." I think every dealer will be confused, and the farmers will not be any better off. I wish the department would set up some sort of zenith number which people could call to determine exactly their position with regard to capital gains taxes or other federal taxes. It would be of great help if the dealer and the farmer, when sitting down to make a deal, knew they could call some sort of zenith number, for example, and ask the department what the tax position with regard to the deal will be. The Department of National Revenue will rake in many millions of dollars. Surely, it could provide some free service of that type.

It should not be necessary for farmers to consult lawyers, because the lawyers will want to argue with other lawyers who adopt an opposite viewpoint. Surely, it should not be necessary for farmers to resolve these problems by going to court. Must they resolve their differences this way? Is there no obligation on the department to help?

The Deputy Chairman: Order, please. It being one o'clock, I do now leave the chair.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2 p.m.

The Deputy Chairman: Order, please. When the committee rose at one o'clock, the hon. member for Mackenzie had the floor.

Mr. Korchinski: Mr. Chairman, a few minutes ago a member of the government side uttered a comment about where all my friends were. I can only say that anyone who can get the Prime Minister to listen to him—

Mr. Trudeau: I am not going to listen to you. I am just here.

Mr. Korchinski: —has at least 95 per cent of the Liberal party listening to him. Therefore, it does not really matter how many are here on my side. What is really important is that the message gets through to the Prime Minister. Yesterday the right hon. member for Prince Albert invited the Prime Minister to attend some of the important sessions of the House for a change. I am glad that the Prime Minister gave up the handshaking, kissing and glad-handing in Toronto to attend a session of the House of Commons. This is a rare occasion. It is evident that the Prime Minister takes this matter seriously. Never before have we seen the Prime Minister pay so much attention as he is paying to this question of closure. He is wondering how it is going to affect everyone here. He is beginning to worry about it. I am glad to see him here because, for once, he has been able to hear the message, as it was expressed a few minutes ago by the hon. member for Assiniboia.

I want to be able to speak to the Prime Minister. I would not even dare to try to get an appointment with him. There is no way you can get through to him on the question of the capital gains tax as it affects farms. Over the years he has uttered a few expressions which indicate that he could not care less what happens to the diminishing number of farms. In his speech, the hon. member for Crowfoot referred to an occasion in western Canada when the Prime Minister said "Why should I sell your wheat?" That statement reflects the attitude he has toward farming. However, there is hope at this time. It is a kind of deathbed repentence; I can feel it coming. All of a sudden, the Prime Minister is realizing that there is anoth-

er side to the story. Why is it that the Gallup poll indicates his popularity is slipping?

The Deputy Chairman: Order, please. I regret having to interrupt the hon. member, but it is my responsibility to remind him that the committee is presently studying a number of clauses dealing with capital gains. I allowed the hon. member to make a few remarks which I thought were introductory to the deliberations of the committee this afternoon. However, if I allow him more time on this, I am not really assuming my responsibility. I invite the hon. member to come as quickly as possible to the clauses under consideration at this time.

• (2:10 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, is it not true that the clauses before us also include references to the basic herd? That is what we see opposite us today.

Some hon. Members: Oh, oh!

Mr. Korchinski: Mr. Chairman, I hope you will excuse me if I seem over-exuberant but it is not often I have the chance to speak to the Prime Minister. It is a rare occasion indeed when the Prime Minister listens to farming problems; in fact, I think this must be the first occasion he has done so.

May I point out to the Prime Minister, and to the rest of his supporters who have come so obediently to the committee at his request following the government's recent defeat in committee, that there are certain aspects of the bill that are unacceptable to the farming community. For example, the capital gains tax. Land is purchased at a nominal price with the purpose in mind of improving it. Some of the land is Crown land. The moment the land is improved it increases in value. As a result, if the sum of $1,000 had been paid for the land, with the added improvements a capital gain is realized if the land is sold. My point is that the amount spent on improving the land should be deductible over a period of years for income tax purposes, and the deductions should begin when the capital gain is recorded.

This would be one way for the government to express its faith in the agricultural community, instead of the agricultural community looking to the government for assistance for ever and a day. It would show the farmers that the government is willing to leave the agriculture industry in their hands, but that if they found themselves in need of assistance then government policies could be geared toward providing that assistance. Instead of this the government is imposing a tax on the industry, which is really asking the industry to turn against itself. Every young farmer, knowing the price his father paid for the land is going to wonder just what price the department is going to set. If the amount were tied to the assessed value, a fraction of the amount should be negotiable and then the young farmer would know where he stood. Many fathers pass their farms to their sons and continue to work on the farm, in some cases free of charge, so that the farming operation can continue. Now, the government is going to impose a capital gains tax, and this is the kind of government policy that is a deterrent to the continuation of farming operations.

[Mr. Korchinski.]

It is true that the business community must know exactly where it stands at this particular time. But so must the agricultural community. Business is not simply a case of the corner store or the man who owns a factory; business is making a buck. And if a buck can be made, tax should be collected on it. What farmers dearly want is to make a buck, and on that buck they will pay as much tax as is properly due. Farmers have never asked to be relieved from their fair share of taxation. On the other hand, neither do the farmers want additional taxes imposed on them at this time. I think we have just as much need for assistance as those industries that have been given assistance to meet the 10 per cent surcharge imposed by the United States President. The government acted wisely and did give industry special consideration under the circumstances, but my point today is that the agriculture industry is depressed and should also receive special consideration. If the government is able to solve our problems, then we will pay every bit of tax due, with interest.

I see the parliamentary secretary smiling again as though he comes from another part of the world. I cannot understand his attitude, and I do not know whether he intends to be funny or laughs simply because he has nothing to say. Speculation in the agriculture industry is quite common because if a farm proves at all profitable its value increases. Actually, the value of farms fluctuates up and down depending on the year, but the biggest increase in value is in years of inflation. There was a time when one could buy land for $10 a quarter, but that is no longer the case. This was not land bought for speculation purposes; that was about all it was worth. You could not make more money from the land today than you could in previous days.

Land today is not necessarily worth more, but it is easier to get credit today, unlike previous years, and it takes you 25 or 30 years to pay for land purchased today. That does not make the land any more productive. It does not make the land worth any more. Inflation may mean we have to spend extra money but it does not necessarily mean there are really any gains realized from the sale of that land. How should we get around this difficulty? I believe there should be some provision for depreciation, related to the inflation rate. This would take care of one problem.

• (2:20 p.m.)

The Deputy Chairman: Order. I regret to interrupt the hon. member but the time allotted to him has expired. Unless he is given unanimous consent he cannot continue. Does the committee agree to allow the hon. member to continue his remarks?

Some hon. Members: Agreed.

Mr. Korchinski: I shall be very brief. I do not wish to impose upon the committee. I have had a few years of experience in the municipal field. We looked at the assessment of properties and tried to relate the productivity of lands to their assessed value. I believe the department should announce at this time that there will at least be some relationship between the assessed value and the sum at which the land would finally be valued on a particular date. At least, those affected would then know where to start. If there were any disagreement, the matter would no

doubt be taken to court eventually, but I do not think each and every individual should have the responsibility of arguing the assessment of every item of land or property on the assumption that the matter would ultimately be decided in the courts, because in no way would decisions be handed down within a reasonable length of time.

I make one further appeal. I was very sincere in my suggestion that the department should set up a unit composed of officials who would be prepared to advise rather than give firm legal opinions, people who would be prepared to assess property in order that those concerned would at least know the department's point of view. I hope something can be worked out along these lines, taking account of the fact that this is a new tax bill and that many questions will arise from it. Some of these questions could be answered during a simple and credible conversation, without the necessity of litigation or hiring lawyers who themselves might not know the correct answer. I may hold one opinion and the lawyer may hold another. The department may hold yet another point of view. If my opinion coincided with that of the department, I would at least be in a position to say I was on the right track. If my proposal were adopted, we would at least get some advice from the government during the transitional period.

Mr. Burton: Mr. Chairman, there are several points I want to raise with the govermment, and with the parliamentary secretary in particular, arising from the discussion of the subject which took place on the last occasion this group of sections was before us. First, I wanted to raise once again the question of the basic herd concept. When this subject was last before the committee, the parliamentary secretary asked, on behalf of the government, that section 29 be stood. This was agreed to by the House so that the government might give further consideration to this question. I presume hon. gentlemen opposite have now had time for further reflection and for consultation with interested organizations and individuals. It would be very useful if the government would make a statement apprising the committee just where they now stand on this question in the light of the undertaking given to the committee that they would give it further consideration.

We have, of course, objected to the government's proposal to abandon the basic herd concept. But we are not necessarily making a case in favour of the present regulations and legislation. We are not necessarily making a case for the status quo. We recognize that there may be certain difficulties in this area and that changes may be warranted. It should also be recognized in all fairness that the abandonment of the basic herd concept, in the absence of any new concept, will present difficulty to most farmers. I am sure the government recognizes that many farm organizations and many who are interested in farm affairs, are greatly concerned about this question. I think we should hear from the government at this point. Even though we are operating under a four-day closure rule it is important that we should get answers to some of the questions which have been posed in previous sittings of the committee when we were operating on the basis of free and unlimited discussion. I hope the government will not produce trite answers, but answers showing there has been analysis in depth of the rural problems to which attention has been called.

For example, there are the specific questions I raised with respect to farm accounting. In particular, there was some discussion about the advantages of cash accounting as opposed to accrual accounting. I call attention to the difficulties which could be encountered by farmers engaged in mixed grain and cattle production. Their grain operation, at least in western Canada, is such that they have no control over marketing or deliveries. It is left to others to determine when a farmer may deliver his grain. We are not objecting to the quota system applying to western grain deliveries, but this is the situation and is one which has to be taken into account in the framing of tax laws. It has been recognized quite properly in the tax legislation that a farmer may stay on a cash accounting basis if he wishes and we are in favour of a provision of this sort. But a problem remains with regard to those who are engaged both in grain and in cattle operations.

The effect of the new law, especially of section 29, may be to force farmers to change over to an accrual system of accounting, not because they are required to do so by law, but in practice, taking into account economic and financial considerations. I asked specifically about farmers engaged in more than one line of activity. Would they have an opportunity to account for one part of their operations on a cash basis and for another on an accrual basis? The parliamentary secretary replied that they could not, because if they were allowed to do so the accounting picture would be unduly complicated. Has the parliamentary secretary given further consideration to this question since that time and, if so, what are his conclusions?

• (2:30 p.m.)

Another matter I raised with the parliamentary secretary had to do with the question of the transitional period for those farmers who may decide, of their own volition, to switch from cash accounting to accrual accounting. Here, there is the problem that there are no transitional rules for such cases. There are transitional rules for professional and other groups who are required to change over from a cash accounting basis to an accrual accounting basis. However, there are no such rules for farmers or, I understand, for fishermen. Has the government given this matter further consideration? When this matter was last up the government was to take a look at it. We would like to hear what the government intends to do in this regard.

There is another matter I should like to raise. I think it must be recognized that there have been a good many discussions on this question. The Parliamentary Secretary to the Minister of Finance no doubt is aware of a letter, a copy of which I received, from the Canadian Cattlemen's Association dated November 12. It poses some rather difficult problems which should be cleared up in the committee. First of all, the letter from Mr. Charles A. Gracey, manager of the Canadian Cattlemen's Association, thanks the parliamentary secretary for the reception given their representations and then continues:

We are, of course, hopeful that several recommendations will receive the most serious consideration.

In that connection I was disturbed, Mr. Mahoney, when sitting in the Gallery on Tuesday afternoon I listened to the exchange between yourself and Mr. John Burton of Regina East pertaining to Mr. Burton's representation that a transitional period from cash to accrual accounting should be granted to farmers. I was astounded at your response. First of all to the effect that in view of the fact that farmers were not being forced to switch from cash to accrual accounting, there was therefore no need for a transitional period. Secondly, you argued that you had received no representations in this respect. I was deeply disturbed and confused at these remarks, Mr. Mahoney, because not many hours earlier we had discussed this very point with you in your office and I had the clear impression at that time that irregardless of whether you agreed with our recommendation in this respect you did fully understand the recommendation and the reason for which we made it. I therefore want to register with you our very great concern at this apparent inconsistency on your part and to urge you to bear our recommendations in mind as this legislation moves through the appropriate channels.

Well, Mr. Chairman, no doubt there has been further correspondence on this matter.

Mr. Mahoney: I rise on a point of order, Mr. Chairman. In view of the fact that Mr. Gracey supplied the hon. member with a copy of the letter he wrote me, perhaps he has supplied him with a copy of my answer. If so, I wonder if the hon. member would read it into the record also.

Mr. Burton: Mr. Chairman, Mr. Gracey did not supply me with the answer. I thought that the parliamentary secretary would have done this himself, because the copy of the letter I received made it quite clear that a copy was being sent to me. Therefore, the parliamentary secretary might have supplied me with a copy of his answer. I have no doubt there have been further discussions between Mr. Gracey and the parliamentary secretary. Indeed, there may have been some confusion. In checking the *Hansard* record, it would seem that there may have been some confusion between two points under discussion, namely, the matter of the transitional rules and the question of whether farmers could have both a cash accounting system for part of their operations and an accrual accounting system for the other part of their operations. There may have been some confusion there and I am prepared to acknowledge that on the basis of the record before us. But it seems to me that this evidence of misunderstanding demonstrates the need for further discussion on some of these questions.

It is my understanding that, in fact, this organization and some others have made representations that the government should allow the present system to continue in operation for a year until a new system could be worked out which would be more satisfactory to all concerned. This would appear to be a reasonable proposal. It does not mean that we would be accepting on a permanent basis, as part of the framework of this new law, the old approach to the basic herd, but certainly it would allow for a transitional period. I believe there is some justification for allowing the necessary time in which to work out a new plan that would be acceptable, and which would take into account the problems faced by some people.

There is just one matter I wish to raise which has to do with our proposals for taking into account some of the special problems faced by farmers with regard to the application of the capital gains tax. We in this party have made clear we are in favour of the basic principle of a capital gains tax. In fact, we feel the basic concept should have gone further than it has. We also recognize that for some groups in this country there are special problems which arise from the nature of the occupations in which they are engaged. More attention in respect of the application of this tax should be given to the problems of people operating essentially on a small business basis. This includes farmers as the largest single group in this category, if I am correct.

Thus, when this subject was before the Committee in the middle of November, I moved on behalf of the New Democratic Party an amendment to a Conservative proposal which it seems to me would be reasonable and would provide for the taking into account of some of the problems faced by farmers. In fact, there would be a provision whereby we could deal with the problems involved with transfers of land within the family, whether by sale or by legacy. Second, there would be a provision for a roll-over and, thirdly, there would be a provision in respect of farmers whose savings fund at the time of retirement is their farm. There would be some provision for this situation. I should like to ask the government whether it has, in fact, given any further consideration to the situation facing farmers as a result of the imposition of the capital gains tax and whether we might have some reason to hope for a response from the government by way of suitable amendments that would give adequate recognition to this special situation.

Mr. Mazankowski: Mr. Chairman, I am indeed delighted to participate in the debate on this aspect of the bill before us, particularly in the presence of so many distinguished members on the opposite side. It is even better than the question period. I hope this is an indication of the genuine concern hon. members have for this particular portion of the bill—

An hon. Member: There is not anyone on your front bench.

Mr. Mazankowski: I can look after you any time. If you want to stand up and make a speech, I would welcome your participation. On the other hand, if you are not prepared to speak perhaps you would sit back and listen because you might learn something.

I hope the presence of so many hon. members today is an indication of the fact that they are genuinely interested in this debate.

The Assistant Deputy Chairman: Order. I would ask hon. members to keep order, and let the hon. member who has the floor speak so that I can hear what he is saying.

Mr. Mazankowski: That you very much, Mr. Chairman. I would have thought that their line of behaviour would have been discussed at their latest caucus meeting. Nevertheless, I do hope that hon. members opposite will pay heed to the submissions that are made by members on this side of the House as they relate to the future of the agriculture industry and the impact that this measure will have.

• (2:40 p.m.)

There is no question in my mind that those who were responsible for the drafting of this bill were rather far

removed from the realities of the business of farming. I believe they have taken a theoretical and academic approach to the whole business of farming, and have failed to recognize that there is something unique in farming. It is a way of life. I do not say for one moment that it can be looked upon as just another kind of business. It is an industry which is largely dependent upon the success of the export markets, and that has its ups and downs as a result of the vagaries of the weather. In most cases, the reward for the labours of those engaged in farming is the appreciation of their investment.

This was very clearly outlined in the brief that was submitted on behalf of the Canadian Cattlemen's Association to the minister, and which pointed out the high investment and low returns in farming. I will quote the following statement from the brief of November 1, 1971:

> It has long been recognized that the ratio of investment to returns in agriculture is extremely high. Not only is this a characteristic of agriculture but the problem is further compounded by a moderately high risk factor associated with the vagaries of climate and markets.
>
> Indeed the low returns to agriculture are evident in the fact that banks are reluctant to extend long term credit to farmers and hence the need for and use of the government administered Farm Credit Corporation.
>
> Thus, it is obvious that in a high cost, moderate risk, low return industry the effects of capital gains taxes would be more disruptive and burdensome than they would be in a low investment, high return business such, for example, as is common among the professions.

Another recognition of this fact is to be found in the report of the Senate Committee on Banking, Trade and Commerce dated November 4, which also sets out in very clear and categorical phraseology the fact that it is their view that farmers occupy a special position in the economic structure of this country. It goes on to say:

> Over the years, this sector of the economy has become increasingly subjected to pressures which have led to a profound change in the nature and use of farm lands. Your Committee is concerned by this trend and believes that measures should be taken to reverse it.

We are in a situation where the business of farming will be treated like any other business, without cognizance being taken of the fact that there is something unique about farming and that we must work toward preserving that lifestyle. This measure has failed to recognize the fact that there has been a decline in the rural population with a consequent deterioration of rural communities. I believe that it would be very unwise for us to stand idly by and allow this government to bring in measures which would adversely affect the family enterprise. We should be working in the opposite direction. We should be encouraging rather than discouraging this type of activity, which is so basic and so fundamental to the economic and social well-being of our nation.

Combined with this tax proposal, we have many other legislative measures which do nothing more than speed up the process of rationalization and of moving people off the farms and into the cities. I should like to quote from a speech made by the Minister of Agriculture, as reported in the Vancouver *Sun* of December 2. This is the direction in which the government is moving. It is substantiated by the bills with which we have dealt, this bill included. The article reads as follows:

> Details are being worked out to take inefficient or marginal farmers out of the agricultural scene, federal Agriculture Minister H. A. Olson told the 38th annual convention of the B.C. Federation of Agriculture here Wednesday.
>
> He said that agriculture today is so complex and world competition is so keen that it is for the good of the nation that such a program be available.

On the other hand, the spokesman for the B.C. Federation of Agriculture said the following in his opening address, as reported by the Vancouver *Sun*:

> —during 1971, producers were as efficient as ever, crops were not too bad, farmers worked harder than ever—"and yet we seem to be going broke faster than perhaps ever before".

The question I want to ask is, who will decide who is efficient and who is inefficient. Certainly, it seems to me that with the lack of incentive in this proposal the industry will find that there will be nothing more than a speeding up of this process which is now well under way.

Another point that concerns me is the fact that this bill is so complicated and confusing. We are being subjected to a form of coercion in that this measure is being stuffed down our throats. The Liberal leader in the province of Alberta has said, and it has been said more than once, that the new system is so complex the average businessman will have to spend a considerable amount of time with his lawyer and accountant. In fact, one observer has suggested that the name of the new income tax act should be more appropriately "an act to provide financial relief to needy lawyers and accountants".

The capital gains provisions in the bill have been outlined by the hon. member for Crowfoot and the hon. member for Mackenzie. I wonder whether the parliamentary secretary, or indeed the Minister of Finance, have any figures to indicate just what they will mean in terms of revenue to the federal treasury when the capital gains tax, as it relates to farmers, is enacted. I wonder whether it is significant in terms of revenue, and whether the matter of administration has been taken into consideration. I wonder whether consideration has been given to the disruptive effect which these provisions will have in the future on the family farm operation.

I believe that unless all three of those factors have been taken into consideration in a realistic way, the capital gains provisions relating to farmers might very well need a reappraisal. If the revenue that is derived from this is rather insignificant, then the disruptive effect that the measure will have on the future of farming, and on the handing down of land from father to son, would not be worth the administrative difficulties, the harassment and confusion that are about to be created as a result of this measure. I hope that the Minister of Finance or the parliamentary secretary will shed some light on this matter.

The other point on which I hope the minister might comment, and which was touched on briefly by the hon. member for Crowfoot this morning, relates to the tax on the sale of depreciated farm machinery. I think the present provisions in the Income Tax Act have been acceptable to farmers in enabling them to maintain a modern line of farm machinery. This had important side effects because, as is well known, one dollar spent on agriculture yields a multiplier effect of $7. I believe the hon. member for Brant will confirm that as a result of current pressure on the agriculture industry, the manufacture and sale of

farm machinery have been slowed down. I believe that this measure not only will affect farmers directly but will also affect further sales of farm machinery. It will affect the dealers, and the manufacturers of farm machinery in this country. I point out, Mr. Chairman, that a royal commission strongly urged that we encourage the manufacture of farm machinery in Canada.

• (2:50 p.m.)

Again, for the life of me, I cannot see, in view of what appears will be an insignificant amount of revenue, why we are going to disrupt the manner in which farm machinery depreciation and recapture have been managed. The impact of the new provision will be widespread. I hope some consideration will be given by the government to relieving farmers of the extra burden which is going to be imposed on them through these provisions.

I would now like to quote from a letter which I received from an income tax accountant in the city of Lloydminster, Saskatchewan. He draws attention to the very severe impact on the net income position of farmers that will result from the termination of the provisions for depreciation that exist in the present act. Here, I quote from the ltter sent to me by Mr. Fred Lonsdale:

> The group of taxpayers whom we represent mainly are middle income people who own property. In the long term I can envisage their tax load increasing sharply. This in particular applies to farmers through the elimination of Part XVII straight line depreciation through recapture of depreciation except that such recapture is subject to 100 per cent taxation whereas capital gains are only 50 per cent.

I note that the parliamentary secretary and the hon. member for Crowfoot had an exchange over the question of whether this was capital gains or income, and judging from Mr. Lonsdale's observations the recapture of depreciation will be taken in as income in the particular year involved. His letter continues:

> There is a further loss even to those farmers presently on the diminishing balance Part XI system in that they will in the future be subject to a capital gains tax where equipment is sold in excess of cost—this is quite common where farmers trade up equipment.

That is contrary to the observation made by the parliamentary secretary in his exchange with the hon. member for Crowfoot earlier today. I hope that the parliamentary secretary will be in a position to comment on these provisions before the debate concludes.

The other matter I wish to touch on is that of the basic herd, a subject which has been debated fairly extensively by others, including the hon. member for Crowfoot. I know the hon. member for Wetaskiwin is also going to deal with it. The Senate Banking, Trade and Commerce Committee has recognized the special significance of the farm industry and categorically stated that the basic herd concept should continue for the benefit of farmers and ranchers engaged in this occupation. Very succinctly, in its report at page 47:7, it states:

> Your committee recommends that provision be made in the proposed legislation for the continued recognition of a farmer's permanent herd as a "basic herd" and, therefore, as a capital asset.

I believe this is very important. Again, I do not think a huge amount of revenue will be derived from the repeal of this provision, and certainly its repeal will result in a considerable amount of confusion and re-organization on the part of farmers and ranchers.

[Mr. Mazankowski.]

I wish to comment briefly on the observation made by the hon. member for Mackenzie, who suggested that because of the complexity of the tax bill the department might make a zenith number available which taxpayers could call in order to get accurate information without going to the expense of hiring tax accountants and tax lawyers. I think the suggestion is a good one. I note that the Department of Agriculture is doing something like this right now. The other day I dialed a number and heard the Minister of Agriculture give a great spiel about the agricultural policies of the government. If he can provide this sort of service for political propaganda, certainly it should be provided to disseminate facts and explanations with regard to this bill.

In closing, Mr. Chairman, I wish to comment briefly on the position of hon. members to my left. They seem to be waffling somewhat in their position with respect to capital gains. Originally, they said the tax bill did not go far enough, and they maintained that they alone spoke for the farmers. But if we look at their philosophy, we find that they do believe in the concept of capital gains and of estate and gift taxes. As a matter of fact, I believe that the government's of Saskatchewan and Manitoba are in the throes of preparing legislation to impose estate tax as soon as this measure has been passed. Yet members of the NDP in this House sanctimoniously say that they alone are speaking for the preservation of the family farm. That is not in accord with the facts. Members of the NDP cannot have it both ways. On the one hand, they cannot say that the bill does not go far enough, then say they are defending the small family farm and want to see it passed on from generation to generation. I think they should stick to the basic philosophy which they expound so vividly on the hustings, the dissolution of all capital assets on death. If they did so we would know better where they stand, and so would the farmers.

• (3:00 p.m.)

Mr. McBride: Mr. Chairman, it does my heart good, as a private member of this House who has been heavily involved in agriculture, to hear the very distinguished member for Vegreville tearing strips off the people to his left along the lines that he is afraid they are being too sanctimonious when they imply that they, and they alone, are protecting agriculture and the family farm and that they alone believe the rural way of life to be of value to our nation. These are precisely the kind of words that we have uttered over and over again in agriculture committees of this House—and we want to reiterate today that it is also sanctimonious nonsense for the hon. member for Vegreville or any other member of the House to imply that all the concerns about agriculture are to be found in the ranks of the opposition parties and none over here.

An hon. Member: We have not seen it.

Mr. McBride: If my participation this afternoon achieves no other purpose, I hope it makes clear that within the Liberal Party and with members such as myself there is a very deep and abiding concern for the welfare of rural Canada, and we are in a position to use the influence we have to attempt to create policies to help rural Canada.

An hon. Member: Like closure!

Mr. McBride: The hon. member for Swift Current is speaking, as he does, from his seat. I was very impressed, Mr. Chairman, to hear on the CBC this morning—

Mr. McIntosh: Mr. Chairman—

Mr. McBride: —that the hon. member for Winnipeg North Centre—

The Assistant Deputy Chairman: Order. The hon. member for Swift Current-Maple Creek.

Mr. McIntosh: Mr. Chairman, the hon. member made reference to me. I did not utter a word. If he cannot get his constituencies right—

An hon. Member: He can't see, either.

Mr. McIntosh: —how can he speak on this tax bill?

Some hon. Members: Hear, hear!

Mr. Horner: Ask for divine guidance.

Mr. McBride: It was the kind of comment, with all due respect to the hon. member for Swift Current-Maple Creek, that I have learned to expect from him and might have led me to believe that he said what in fact one of his colleagues said.

I was absolutely amazed this morning to hear on the CBC that the hon. member for Winnipeg North Centre, who is a most distinguished gentleman, was suggesting to the nation and to the House that this government had created ill-will by deciding that there ought to be a day, after the proverbial 40 days and 40 nights, when we come to vote on this tax bill. This was absolutely astounding, perhaps not to him because he is from the city of Winnipeg, but certainly to members who sit behind him and at least masquerade in this House as representing agricultural interests. We heard the distinguished new member from Assiniboia speak this morning, but anybody who knows anything about a riding like Assiniboia must be keenly and bitterly aware that it was his own party that sabotaged Bill C-244.

Some hon. Members: Oh, oh!

Mr. Horner: You sabotaged it.

Mr. McBride: If you want to talk about closure or cutting off debate, you might better suggest that the hon. member for Winnipeg North Centre ought to have a black mask and a broad axe, because that is the kind of activity he has perpetrated on the agricultural industry by masquerading his party as acting for the farmer when in fact it killed the grain stabilization bill.

Why did they do it? As the hon. member for Yorkton-Melville, who is not here this afternoon explained to me one day, it is because it did not contain what I would describe as a guaranteed income for farmers. It might be a fine thing to have a guaranteed income for Canada, but when you say it is the government that is bringing closure into the House and destroying good will I ask you, Mr. Chairman, where is the good will when measures like Bill C-176, the national farm marketing legislation, and Bill C-244, the stabilization bill, are being sabotaged and killed by the opposition to prevent some forward steps in agricultural legislation in this country?

Some hon. Members: Hear, hear!

The Assistant Deputy Chairman: Order. The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. McBride: I will, as soon as I finish my remarks, with great delight. The point for all of us to remember is that our real concern ought not to be whether we on this side of the House make the New Democratic Party or its very distinguished House leader pleased, happy and positive toward us, members like the hon. member for Vegreville and the hon. member for Crowfoot, or even a man as distinguished—and I am glad to see him here this afternoon—as the right hon. member for Prince Albert: the point is we ought to be doing something for Canadian agriculture. That is what the aim should be. It is not whether we are making other Members of Parliament think we are very nice little boys—

An hon. Member: You are not.

Mr. McBride: —or, since the hon. member for Vancouver-Kingsway is here, boys and girls—she is a girl, a very young lady. But we ought to be getting on with the work.

Mr. Mahoney: Hear, hear!

Mr. McBride: The section before us is of considerable concern, especially when we hear what the media say in agricultural communities such as the one I represent. It should be clearly pointed out that there is provided an opportunity for a farmer to decide that he will take a deduction in a capital gain on his property of $1,000 a year for his residence—his home—and an acre surrounding it or, alternatively, a deduction or removal from going into capital gains of $1,000 for each year that he lives on the farm. In common with many other members, I represent an agricultural area which is not wealthy and it is a very rare situation when you find a farm increasing in value at a rate greater than $1,000 a year. Another point is that when, and if, it increases in value at a rate greater than $1,000 a year, it does not become taxable at 100 per cent—which is the implication you usually hear—but it becomes taxable only at half rate.

It is also extremely important to point out that amendments have been brought in and consideration is being given to enable those who have a farm unit which would increase at a rate greater than $1,000 a year, and therefore would become liable for capital gains tax, to pay this tax over a period of five years. This is true, of course, when a death occurs. In the case of an ordinary gain—say if the farm is sold out of the family—then you have the other five year averaging provision already available to farmers.

However, Mr. Chairman, there are one or two questions I want to put to the parliamentary secretary and upon which he might comment a little later. In areas like Ontario, especially eastern Ontario you frequently have a farm unit made up of a 100-acre lot in one location, another some miles away and a third some miles away again—so that you have three different segments in the one operation—obviously the farmer cannot live in three places. The question is, should we take the bill before us to mean that he has the exemption of $1,000 only on the

100 acres where he in fact resides and has no capital gain exemption applicable to the other two 100-acre units, or ought we to assume that it applies to all three together?

• (3:10 p.m.)

In addition, what happens when a man who owns three different 100-acre units decides to sell one unit which, because it may be near an urban area or for some other reason, has risen rapidly in value? What does he do? Do the exemptions apply to him or, under the section to which I have referred, would any exemptions be applicable?

I also want to refer to the dialogue on farm implements that we have heard today. The likelihood is pretty remote that farm implements will increase in value as the years go on, and not decrease. I suppose that if some historical significance could be attributed to certain of these implements, they could increase in value.

I now want to direct the attention of the parliamentary secretary to a problem that has frequently been discussed with farmers in my area and with those who are in the beef-raising industry. If the bill is to encourage farmers to move from a cash to an accrual form of accounting, I believe it follows that arrangements will have to be made for some transitional period—

The Assistant Deputy Chairman: Order, please. I regret to interrupt the hon. member but I would point out that there are hon. members in the aisle who are carrying on some kind of caucus. I do not think that is proper.

Mr. McBride: Mr. Chairman, I do not know whether the plural of caucus is "cauci". Be that as it may, may I return to what I was saying before you so charitably interrupted me. I think we must provide an opportunity for the tax that will become payable when the individual farmer shifts from the cash to the accrual basis to be paid over a period of time. It is all right for the new farmer just entering the business. He can adopt the new system and it will be easier for him. He will just be starting out and he can abide by the new rules as he goes along. Most beef producers say that they do not really care which system is adopted. They say, "We are happy to pay under the accrual system if that is what you prefer but we cannot, all of a sudden, bear the cost in one year of an incredibly heavy tax burden which a changeover would require. They have a good point. I hope the parliamentary secretary will consider it and address himself to it as the debate goes on.

In conclusion, Mr. Chairman, may I repeat that the vast majority of farmers in eastern Ontario, certainly in northern Ontario and many parts of Quebec and the Maritimes—and it is well to remember that much agricultural production in Canada is in areas other than the Prairies—will, because of the exemptions built into this bill, not pay any capital gains tax. There will be no hindrance with regard to the transfer of land from one generation to the other. I hear groans from the other side of the chamber. They are mostly western groans, mostly prairie groans coming from people who do not know, as do the people of eastern Canada, what poverty in agriculture means.

Some hon. Members: Hear, hear!

[Mr. McBride.]

Mr. McBride: People say to me over and over again, "Murray, why do you do so much for the western farmer? What about the eastern farmer? Why do nearly all farm bills in this House concern themselves with the problem of western agriculture only?" One of my colleagues says that the people in Quebec say the same thing. I have been to ridings in western Canada. One night I had the privilege of meeting 1,250 farmers in Prince Albert. When I pointed this fact out to them they said, "Nobody has ever told us this. We thought that only in western Canada were there difficulties in the agricultural industry." I explained that Canada is a nation spread out over many thousands of miles and has within it about 9,900 so-called forgotten corners. I am sure every member of this chamber has heard constituents saying, "Why are we in the forgotten area? Why is our industry a forgotten industry?" and so on. I think we ought to look at the nation over-all. I see the hon. member for Annapolis Valley behind the curtains. Certainly his area comes into the category I have mentioned.

Mr. Horner: Mr. Chairman, will the hon. member permit a question?

Mr. McBride: I will be happy to, perhaps after the hon. member for Winnipeg North Centre has asked his question. I suggest that, as representatives, the members of the House must first and foremost be interested in their own constituencies. Yet would we not have a sad government and a sad governmental process, as made evident in this House, if hon. members were interested only in their own areas and were not prepared to take seriously the concerns of the people of other areas of Canada? I say to the committee, as one who has long been interested in agriculture, that the day has long gone when we could assume that the only concerns in agriculture have to do with prairie agriculture. I can just imagine some bright member saying, "That was spoken with eastern arrogance." That is nonsense.

An hon. Member: It is not, on the opposition side of the House.

Mr. McBride: Recently I had the privilege of meeting certain farmers in western Canada. Every farmer I met in Assiniboia constituency said to me, "We conclude that the government itself did not believe in the grain stabilization bill or it would have passed it. That is why we lost confidence in you. You should have used closure, but you did not." That, of course, was a different ball game to the one in which we are now engaged. The farmers of this nation want strong, decisive action. They want us to put through the bill we are considering and not to shilly-shally around with wishy-washy proposals and endless talk on issues which have been kicking around for months and, as in the case of this bill, for several years.

On that count, Mr. Chairman, I think it is good for the nation that we have set some parameters, so to speak, to this debate and that we are prepared to move forward and consider the issues at hand. I was interested to note that most of the speeches today seemed more relevant, more cogent and more concise than they have been hitherto.

The Assistant Deputy Chairman: Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): I was rising, not exactly on a point of order, Mr. Chairman, but to ask the hon. member a question or two.

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): First, may I express to him my sympathy. He has had difficulty in speaking this afternoon. The hon. member for Lanark-Renfrew-Carleton is a pretty faithful member of the Friday afternoon club. He is usually here and he speaks often at this time of the week. As a rule it is fairly easy to speak on Friday afternoons because not many hon. members are present. This afternoon he had to talk above the babble on the other side of the House.

Mr. Benson: To say nothing of the four NDP members.

An hon. Member: Where is your babble?

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): The solid phalanx of Liberal members and all these cabinet ministers on a Friday afternoon almost frighten us.

The Assistant Deputy Chairman: Order, please. The hon. member for Winnipeg North Centre, who knows the rules so well, rose to ask a question. I think he ought to ask his question.

Mr. McBride: Mr. Chairman, could we not hear from the hon. member for Crowfoot first?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, when I first came here I knew how to ask questions directly. However, the longer I have been here the greater have grown the preambles to questions, and I thought I would try a preamble myself. In the course of his speech he suggested that Bill C-244 was a fine bill and he accused us of killing it. If Bill C-244 was such a wonderful bill, and since it is still on the order paper, why does not the hon. member persuade the government to come forward with it again; or is it the case that the provincial election in Saskatchewan and the by-election in Assiniboia gave the government the answer?

• (3:20 p.m.)

Mr. McBride: The point I was making is extremely valid. It is simply that the argument of the hon. member for Winnipeg North Centre could be boiled down to the simple fact that the grains bill had no guaranteed annual income in it. That is a phony argument against the bill. It was meant to mislead. It was effective. I do not criticize his colleague. He was successful in winning the constituency on that basis. However, it is despicable when a member with the experience and national reputation of the hon. member for Winnipeg North Centre—I say that with all due respect—goes on the CBC network and says that the government is creating ill-will when his own party uses a more deadly form of closure than this government ever did.

Mr. Baldwin: On a point of order, Mr. Chairman—

The Assistant Deputy Chairman: Order, please. Is the hon. member for Peace River rising on a question of privilege?

Mr. Baldwin: On a point of order, Mr. Chairman. In my usual desire to be helpful I note that today, for the first Friday in three years, we have more than two cabinet ministers in the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baldwin: Because we have no answers to questions asked—

The Assistant Deputy Chairman: Order, please.

Mr. Baldwin: —I ask leave for there to be a supplementary question period—

The Assistant Deputy Chairman: Order, please.

Mr. Baldwin: —from now until four o'clock.

The Assistant Deputy Chairman: Order, please. The Chair did not hear one word said by the hon. member.

Mr. Baldwin: Having made my preliminary point, Mr. Chairman, I was going to ask for unanimous consent to have a supplementary question period, as there are 17 ministers present, in order to get answers to questions which we have not been able to get all week.

Some hon. Members: Hear, hear!

Mr. Moore: Mr. Chairman, after listening to the hon. member for Lanark-Renfrew-Carleton preaching to his colleagues as if it were Sunday morning, perhaps I will be excused if I come back to the bill in question. I was not sure whether it was a debate, a question period or both.

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order. Is the hon. member rising on a point of order?

Mr. McBride: Yes, Mr. Chairman. I do not object to personal reflections being made by the very distinguished hon. member for Wetaskiwin, but the fact remains that the nation must know there is a religious zeal for agriculture in the Liberals ranks.

Some hon. Members: Hear, hear!

Mr. Moore: I am sorry, Mr. Chairman, I missed the point.

Mr. Paproski: There was no point.

Mr. Moore: I did not get the connection. After some of the bills mentioned by the hon. member, I am not even sure what bill we are now discussing.

Some hon. Members: Order.

Mr. Moore: I wish to take a few minutes to deal with a small but very important part of this bill. That is the basic herd aspect with regard to dairy farmers. I wish to point out to the previous speaker that I am talking about dairy farmers in every part of Canada, not just western

Canada. They are all affected, even those in the Renfrew area. I understand from what has just been said that this is an area of poverty.

An hon. Member: They have no member to represent them.

Mr. Moore: This is the message I got. This is one of the largest groups of farmers in the country. Under this legislation I feel that this group will be shafted, if not ignored. Many dairy farmers are forced to retire earlier than other farmers. This is a very important point. There are different reasons for this early retirement. One reason is that they are forced to retire because of recent government dairy policies. The second reason is unavailability of help. Third, the physical strain on the operator precludes him from carrying on his operations into old age. Therefore, he is very much affected by this legislation.

Some dairy operators are on rented land. When this is the case, their only equity is the dairy herd. On having to disperse his herd, he does not have anything left but the proceeds of the dispersal sale. This refers to a basic herd. If he has no basic herd, the whole amount obtained from the sale is taxed. In other cases a dairy farmer may have to sell his herd but continue to live on the land. The basic herd at least enables him to hold on to the full proceeds from the operation of the herd. That is basic in the case of a herd dispersal. The dairy farmer, to a great extent than other farmers, can reclaim little from the huge investment he has in dairy buildings and equipment. What does he have left from his years of labour? He has much less left if he cannot take advantage of the basic herd. Every farmer who has a herd dispersal sale is faced with the fact that much of the proceeds go to the government that year.

Further to what my colleague, the hon. member for Vegreville, said concerning the Senate committee report, the House of Commons committee report on the white paper proposals stated that since taxation was recommended on a capital basis this necessitates retention of the basic herd concept. As we are hearing speeches of compassion for the farmers, even at this late date, from members on the government side, possibly they can be urged to show some compassion for the man who has worked long hours for many years with little hope of return.

Mr. Mahoney: Mr. Chairman, I have been asked a number of specific questions. I apologize to the hon. member for Swift Current-Maple Creek, but I would like to get these answers on the record before private members' hour. I shall not be too long.

Mr. McIntosh: Why not get answers to my questions on the record also?

Mr. Mahoney: If I am not too long, and you are not too long, perhaps we will. If the hon. member has some specific questions I will certainly yield the floor to him.

In his opening remarks the hon. member for Regina East suggested that I had asked to have section 29 stood in order to permit the government to give further consideration to it. If the hon. member checks the record he will find that I agreed to a suggestion by the hon. member for Crowfoot to that effect. Indeed, the matter has been thoroughly reconsidered. The government feels that its original decision was correct, namely, that the concept of the basic herd is of little or no use in the future, with the institution of the capital gains system.

• (3:30 p.m.)

The hon. member reiterated the argument of cash basis versus accrual basis for accounting purposes, and suggested that somehow or other something in the bill forces farmers and ranchers to convert from the cash to the accrual system notwithstanding the provision in the bill that they can continue to account on a cash basis.

Again, this is not a conclusion that we accept as valid. It is true that it might be good business for a farmer or rancher to switch to the accrual method of accounting because in that way he would pay his tax on a more even basis over his lifetime and not encounter a fairly large lump sum tax liability in the year he discontinued his farming operations. However, that is the choice that he has. I do not think total tax liability would be significantly altered by this provision. Most taxpayers seem to feel that there is some advantage in deferring taxation for as long as they can. Again I must say that we cannot accept the premise that there is any forcing of farmers or ranchers to switch from cash to accrual accounting. Indeed, the bill specifically provides that they can continue on the cash basis.

This leads me to the hon. member's third point, the question of transitional provisions. We have provided for transitional rules to cover professional people who are obliged under the new bill to covert from a cash to an accrual basis, and it does seem appropriate that transitional rules be provided where a taxpayer is forced to change his accounting method. However, in the case of farmers or ranchers such a change is purely voluntary, so the provision of transitional rules would not seem appropriate.

The hon. member read from a letter Mr. Gracey wrote to me. I think the hon. member will appreciate that I have not had, nor am I likely to have, an opportunity to leave the chamber to obtain a copy of my reply to that letter. However, I will take the opportunity in the debate next week to put on the record my reply to that letter. The hon. member was remarkably clairvoyant in divining the nature of my reply in his subsequent remarks.

The hon. member for Vegreville raised the question of the revenue derived from the application of the capital gains tax on farmers. The revenue estimates declared by the department do not break down as between particular professions, undertakings or occupations, but it is estimated that the capital gains revenue in the first year of the new system will amount to about $80 million. Against that is a revenue loss of about $65 million resulting from the federal estate and gift tax abandonment. The net amount of tax therefore expected to be gained from that combination of measures is $15 million. I do not think the farmers' share of that increase is likely to be the make or break item in the decision made by a particular farmer. It would work out to about 70 cents for each Canadian and I think as such it will not be a determining factor in any decision that a farmer, rancher or anybody else may make in regard to continuing in his chosen profession.

The item of recapture was also raised by the hon. member for Vegreville. In view of the time and desire of

other hon. members to take part in the debate, I do not think it would be useful to repeat remarks I made in response to the same question raised earlier by the hon. member for Crowfoot. With regard to information services, the hon. member for Vegreville raised a very valid and good point. I am advised that the Minister of National Revenue spoke in Vancouver recently about his department's program. In the very near future he will be making an even more complete statement on the intentions of his department.

In this connection I can only say that I hope not too many Canadian taxpayers will be panicked into retaining professional tax advisers if they have not needed them up to now. The Department of National Revenue does intend to render every assistance to Canadian taxpayers. Indeed, I think most Canadian taxpayers will find that if they have not needed professional tax advisers hitherto under the present system, there will be no reason for them to need them under the new system. I realize, of course, that a number of people sometimes use scare tactics in order to drum up business in anticipation of valuation day, and so on. I can only say that I hope our taxpayers will wait and see what information and assistance is available to them from the Department of National Revenue before spending their money on that kind of service.

The hon. member for Lanark-Renfrew-Carleton raised the question of the farmer who owns three separate parcels of land and resides on one of them. The $1,000 per annum deduction from capital gains in lieu of the exclusion of place of residence applies only to the parcel of land on which the residence is located. If the hon. member would refer to section 40(2)(c) on page 100 of the bill, I think he will see that that is very clear.

Mr. McIntosh: Mr. Chairman, I had intended to speak generally about the capital gains tax, and so on, but in view of the remarks made by the hon. member for Lanark-Renfrew-Carleton and those of the parliamentary secretary perhaps I can deal for a moment with two specific recommendations put forward on this side of the House by members of all opposition parties. These two specific points are the basic herd and capital gains made from farming.

In referring to these two items the hon. member for Lanark-Renfrew-Carleton said that every time a member on this side of the House—at least, this was the implication—criticized not only this bill but Bill C-244, and I suppose he also included Bills C-197 and C-176, he was doing so for purposes of political expediency. We have on many occasions said that we are concerned with all farmers in Canada, not just farmers in western Canada, as he implied. We from western Canada have no axe to grind about the treatment afforded farmers in eastern Canada by the government. We hope that they will get a square deal. In fact, they are entitled to a square deal.

An hon. Member: And they are not getting one.

Mr. McIntosh: As one of my colleagues says, they have not been getting a square deal. I was very surprised to hear the hon. member say that he spoke to about 1,200 farmers in the Prince Albert area recently, not one of whom spoke in favour of any measures for eastern agriculture. I do not want to say that the hon. member is lying, but I would say that that is not the truth. He should realize that most of these farmers' ancestors came from eastern Canada and so these farmers are very interested in what happens in Ontario and Quebec.

The hon. member also said he had been speaking during the last two months in the riding of Assiniboia. I can speak with some authority on that riding since it was formerly part of my riding. For example, the ancestors of farmers in the Strasbourg and Duval areas came from Quebec, and I am sure they did not tell him what he alleges they said. Perhaps this will convince the hon. member that we from western Canada do not speak about problems only from our particular region. We are Canadians.

I would like to issue a challenge to the hon. member who said that every time we get up in the House to speak we do so for purpose of political expediency. I would ask him this question! If some body in Parliament which was favourable to the government were to make certain recommendations, would he accept them? I refer to the two recommendations made by the Senate committee with reference to the subjects we are discussing. As hon. members know, the other place is composed principally of appointees, followers of the present government. It is certainly composed, to the extent of 80 per cent, of followers of the hon. member's party. If we say nothing further from this side with regard to basic herds and capital gains on farmland, would the hon. member try to persuade the Minister of Finance, the parliamentary secretary—

• (3:40 p.m.)

An hon. Member: And the Prime Minister.

Mr. McIntosh: Never mind the Prime Minister. I want to be clear in this regard. Would he disregard what we have said and accept these representations made by a body composed to the extent of 80 per cent of members sympathetic to his own party? The parliamentary secretary said the basic herd concept was not a good idea for farmers and ranchers, and I suppose he will be saying the same thing about our representations having to do with capital gains. If the proposal does not affect the government's financial picture one way or the other, why not give these people what they want and what they feel is good for them?

The Senate committee asked that provision be made for the continued recognition of a farmer's permanent herd as a capital asset, rather than treating it as inventory or stock in trade as proposed in the measure before us. Everyone who has anything to do with farming knows that the basic herd is the production machine of the ranch or farm. It is the production machine which provides the calves year after year. Why cannot it be treated in the same manner as other productive machinery is treated? This is what farmers are asking. I do not know whether it is good government ought to do, and we in the opposition agree with them.

The Senate committee also recommended consideration be given to extending the roll-over provisions to permit land together with any other capital property which is used by an individual in a farming activity to be transferred, either during lifetime or on death, to descendants without being subject to capital gains treatment under the

deemed realization provisions. On the issue of capital gains and farmland the committee took the view that farmers occupy a special position in the economic structure of this country. That is true. Over the years this sector of the economy has become increasingly subjected to pressures which have led to a profound change in the nature and use of farmland. The committee was concerned by this trend and believes that measures should be taken to reverse it.

I ask the hon. member for Lanark-Renfrew-Carleton whether he accepts this, whether he will go to the parliamentary secretary and ask him to make this concession to the people of our country who are calling for it. It is not asking very much. I suggest to the hon. member from Renfrew that he consider this point carefully because we are asking this not only for the farmers and ranchers of western Canada but for the livestock producers in eastern Canada and, indeed, all over Canada.

I was surprised to hear the hon. member talk about good will in reference to Bill C-259. I ask him where the good will was when he rose in the House a couple of days ago and referred to meetings which the Minister of Agriculture held with the provincial ministers of agriculture on the subject of national marketing boards. He implied in his question—I do not know whether it was a planted question or not, but I have my suspicions—that all the provincial departments of agriculture were now in favour of a national marketing board. Why did the hon. member ask that question? The agreement which was made at that time—and he knew it when he asked the question—was only in respect of poultry. I know that Saskatchewan, Alberta and Manitoba are not in favour of a national marketing board in the sphere of agricultural production, if the hon. member wants good will from this side of the House he should extend a helping hand from his side.

Mr. Paproski: It is better to give than to receive, especially around Christmas.

Mr. McIntosh: If I were asked whether I was in favour of a capital gains tax as defined in the bill, my answer would be no. One reason for this point of view is the extreme difficulty which a large number of members are experiencing in arriving at a satisfactory definition of the term "capital gain." Possibly the most important question we must ask ourselves in this young country of ours is whether a capital gains tax would be good for Canada at the present time. Again my answer must be no. I am reminded of a fairy story which I often heard when I was a small boy, about the goose that laid the golden egg. The reasoning used by the government right now is the same as was used by the man who killed the goose. He looked at the golden egg and then thought he would try to get all the eggs at once without waiting for the goose to lay them. This is what the government is trying to do.

My belief is that one cannot apply a capital gains tax while achieving the full potential development of our country, nor can we reach our national goals. What are those goals? We have read a great many articles in the newspapers about what these goals should be. In particular, we have read many articles and heard many debates on the subject of foreign investment. It is my feeling that individual citizens in Canada should be given an opportunity to promote Canadian development and that the imposition of a capital gains tax would markedly curtail the growth of our country. In the second place, it would work against the desire which most Canadians apparently possess to buy Canada back and would do little to ensure that future growth of our country would be in Canadian hands.

What the government is doing by imposing this capital gains tax is killing this goose that lays the golden egg. It is curtailing the growth of our country. It is limiting opportunities for future ownership of our country by Canadians, and it is reducing the opportunity to repurchase what some people say foreign countries own. In my view, in any equitable system of capital gains, capital losses would have to be an offsetting factor and hence the revenue derived from capital gains is likely to be small.

• (3:50 p.m.)

Due to the administrative burdens such a tax would place upon the revenue authorities, the cost of collection would probably be disproportionately high. In periods of rising prices, many so-called capital gains are illusory because they represent an inflationary-created increase in the price of property sold, rather than an increase in its true value. Many farmers are asking, "What is the value of the land we are farming?" Many members sitting here today have lived in western Canada for a number of years and have seen farmers leaving their land because it was worthless. They could not even pay the taxes on the land. Then in a period when the produce of that land could be sold, prices were inflated. We have gone through another period when the produce of the land could not be sold because of competition in respect of prices and lack of support by this government and the value of the land has gone down.

It is very difficult to determine what is the capital gain on any one piece of land. As I said before, it fluctuates by reason of inflationary trends. There is also the cost-price squeeze. We have heard this term used on many occasions during debate in this House. The situation so far as the farmers are concerned—this is why they should be placed in a special category—is that in the past farmers did not use the sophisticated machinery in their operations that they require today. We could go through history and remember when crops were reaped by binders. Then there were combines, then a special kind of combine with rubber tires, and so on.

There are reasons for all this. The farmers were forced into this situation. Many years ago people by the hundreds went out west from eastern Canada at harvest time to help with the harvest. Because the war intervened, those extra bodies were not available and the farmers had to acquire more sophisticated machinery. The combine was developed in western Canada. In fact, rubber-tired tractors and machines were developed in my constituency at the dominion experimental farm. Farmers have been forced into this situation. One might compare the cost of the binder which used to do the job with the cost of the modern combine. During all this period the produce of a farm has increased very little in value per bushel.

These are some of the reasons that I suggest to the parliamentary secretary and to the Minister of Finance that this group of Canadians should be given special

consideration. This is the reason the Senate committee recommended that the government give this group special consideration. We ask for it only on those two items. The parliamentary secretary said it would not make any difference. If the farmers are asking for it, and if it does not make any difference to the government, then why not give the people what they are asking for? This is all we ask.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, since it is almost four o'clock, and while the government House leader is still here—and many other cabinet ministers—may I ask the government House leader a question about Monday. In particular, will the government by Monday be ready to introduce its amendments to the income tax bill in respect of co-operatives and credit unions? If the answer to that is yes, will we take those sections of the bill when we deal with this legislation on Monday?

Mr. MacEachen: Mr. Chairman, the answer to both questions is yes. The amendments will be ready and we would like to move them on Monday.

Mr. Baldwin: The hon. member for Peace River heard the answer and he assumes, of course, that when this bill is first discussed in committee of the whole on Monday there will be requests made, and if the amendment in respect of co-operatives is available and a request is made at that time, of course we will be prepared to consider it. Apart from that, Mr. Chairman, and apart from any agreements made on the floor of the House, I would assume that when we resume committee of the whole consideration we will proceed in the normal, traditional way, starting at the top and working our way down to the bottom.

The Chairman: Order, please. Is it the wish of the committee that it be called four o'clock.

Some hon. Members: Agreed.

Progress reported.

Mr. Deputy Speaker: It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills, private bills. There will be difficulty conducting private members' hour if hon. members move about the chamber and carry on conversations. I have difficulty hearing the Clerk Assistant.

Mr. Deachman: Mr. Speaker, I understand that during private members' hour today there is disposition to take up item No. 4 on the order paper, appearing at page 8 and standing in the name of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), and that the subject matter of item No. 6, although not the motion itself, be open for debate.

Mr. Speaker: Hon. members have heard the suggestion of the hon. member for Vancouver Quadra (Mr. Deachman). Is it the pleasure of the House to proceed on that basis?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS

FISHERIES

REQUEST FOR ASSISTANCE IN PROVIDING COLLECTION AND STORAGE FACILITIES

The House resumed, from Monday, November 23, 1970, consideration of the motion of the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall):

That in the opinion of this House, the government should consider the advisability of providing loans and grants to encourage the building and improvement of fishing facilities along the Atlantic coastlines for the better collection and storage of all marketable species of fish.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I am very happy to rise and support the motion put before the House by my colleague, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), on November 23, 1970. At that time the motion was talked out. I hope the motion will have more success today. It is not my intention to speak for too long because I know other members wish to speak on the motion, and I am sure the House will wish to vote on it before we adjourn.

I suspect the situation which motivated my colleague in placing this resolution on the order paper is similar to that which exists in most parts of Newfoundland and, I suspect, in most parts of eastern Canada. Fishermen in the Atlantic area, especially in Newfoundland, are severely handicapped by virtue of the fact that they do not have adequate facilities to exploit the fishing industry and to derive from it a living which they could make very successful if these facilities were provided.

• (4:00 p.m.)

I can think of situations in my riding of St. John's West where fishermen are required to operate under conditions that are antiquated. I make numerous requests to the Minister of Public Works (Mr. Laing) and the Minister of the Environment and Fisheries (Mr. Davis). It seems that these two ministers are hung-up on the old question as to which comes first, the chicken or the egg, because if you ask for a breakwater, cold storage equipment or wharves the Minister of Fisheries will report back to his colleague, the Minister of Public Works, that there are not enough Lffiishermen in the area to warrant the expenditure.

Of course, the minister does not explain to his colleague that there are few fishermen fishing in that area, due largely to the fact that there are not enough facilities to encourage them to make a successful living from fishing. I can think of instances, again in my own riding, when I requested a mechanical hoist to enable fishermen to remove fish from their boats and place them on the deck of the wharf. These devices cost perhaps $1,000 or $2,000, but certainly it is a very insignificant amount of money considering the huge sums that are being spent almost daily on projects that are certainly less worthy than some of those I have put forward to the two ministers.

It is regrettable, also, that in this day and age when many millions of people are starving, we have thousands of tons of high protein food such as herring and other species from the sea being dumped almost daily in Newfoundland because of the absence of proper cold storage

facilities. If the government were to assess the situation and then set about to install cold storage and other facilities, there are a large number of species of fish in the waters around our shores that could be economically exploited to the advantage of fishermen who depend on fisheries for their livelihood.

That is why I am proud to support the resolution of my colleague. I feel that if cold storage and other facilities were provided, fishermen would be encouraged to develop other species of fish. I can think of several species off the shores of my riding, such as shrimp, that are there in abundance but are not being properly exploited because of lack of proper facilities and wherewithal on the part of fishermen which would enable them to develop economically that aspect of the fishing industry.

Obviously, there is also need for other facilities. I realize the the motion deals primarily with cold storage facilities, but other facilities are also badly needed. I refer to haul-out facilities for people with boats, slipways to make it easy for fishermen to pull in their boats from the ocean in periods of rough weather, breakwaters, wharves, mechanical hoists on wharves, harbour facilities, dredging, cold storage facilities and additional bait storage facilities. These facilities are badly needed in the Atlantic area and in Newfoundland to enable fishermen to ply their trade and increase their income which in many cases is below the poverty line.

I do not intend to take up any more time of the House because I know other hon. members want to take part in the debate, and I am sure the House will want to vote on the resolution before we adjourn. I strongly urge the House to approve the resolution of my colleague, because it means so much to a large number of Canadians who are struggling to make a living and are not given too much encouragement to stay in the fishing industry so far as assistance by the federal government is concerned.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, first of all I wish to thank the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) who has provided us, this afternoon, with the opportunity of dealing with a subject that is of vital interest to Canadians who depend on fisheries for their livelihood. Such opportunities are only offered during the throne speech debate and the budget debate.

It can readily be seen, Mr. Speaker, that such a debate is of the highest interest to me because of the population pattern in my riding and its geographic location. In fact, the people of Bonaventure—which includes since 1968 the Magdalen Islands—rely heavily on fishing for their livelihood. However, I should say in all honesty that the Magdalen Islands are more closely related to this industry than other parts of my riding. This is why my comments, though motivated in part by what I would call the continental part of the Bonaventure-Magdalen Islands riding, will stress mostly the importance of harbour, storage, cold storage and other facilities for the people of the Magdalen Islands.

• (4:10 p.m.)

I think it is important to point out that the jurisdiction over fisheries in the province of Quebec is shared by both

levels of government but a great deal of administrative and other decisions are taken by the authorities of the province of Quebec, the federal government having nothing to do with them. However, I think that co-operation between the two levels of government has always been honest and sustained. The fact remains that the Canadian government is taking positive and beneficial steps for the Quebec fishermen. It does so very successfully, and even more for those who earn their living from that occupation, at sea, at the factory and in business.

Hon. members, particularly those from the province of Quebec, will recall that in the early 1960's under ARDA, which was passed by the Canadian government, an economic study financed by both federal and provincial governments was undertaken by the government of the province of Quebec in the pilot area of the lower St. Lawrence, of the Gaspé region and the Magdalen Islands.

The organization responsible for that study was the Bureau d'aménagement de l'Est du Québec known as BAEQ. The study was to determine the economic possibilities of the pilot area in various sectors: industry, agriculture, fisheries, culture, etc., in order to raise the economic standard of that area and indirectly to improve the well-being of the population because the economy was progressing at a much slower pace than anywhere else in the province of Quebec and in Canada.

Following that long and costly study, a voluminous report was submitted in 1966 by the BAEQ study group to both governments, particularly to the government that had established it, namely the government of the province of Quebec. The Quebec government and the federal government followed up this report with the signature, in May 1968, of an agreement on the development of the pilot area making available to it the amount of $268 million, $212 million of which was provided by the federal government.

Everyone knows the problems that we faced in the implementation of that program. Among other things, it provided for the centralization of endeavours in many sectors in order, as it was said, to ensure more efficiency, better organization and higher production, as well as a higher revenue for those involved in the various industrial sectors of the pilot area.

For my part, I agree with the approach set forth in the BAEQ report. In fact, Mr. Speaker, such a policy, if well implemented, cannot but benefit those directly concerned, in this instance, the fishermen.

Of course, governments cannot do more than allows the budget voted by Parliament. Now, in the past, because of the large number of wharves and seaports—and this was easy to understand considering the means of transportation available to fishermen—the government had to rely on its yearly appropriations to make repairs or improvements in many places, in order to maintain good harbour facilities for the benefit of fishermen. But because of that sprinkling of public funds here and there the fishermen did not always have the necessary facilities.

That is why nowadays, considering the new transportation means, it seems normal to wish to centralize such harbour facilities so as to provide fishermen with the fishing wharves and ramps they need, where their boats will always be safe even in bad weather.

It is on account of that centralization that only eight seaports or fish landing wharves were left in the Magdalen Islands out of the great number existing before. The Canadian government built a $5 million main seaport in Cap-aux-Meules, in the Magdalen Islands, which is now completed; incidentally, I am told that the people of the Magdalen Islands had been asking for that seaport for more than sixty years.

It is also according to that centralizing concept that a more modest seaport is being built in the Grande-Entrée, again in the Magdalen Islands, which will meet the needs of the fishermen in the area. It will cost about half a million dollars.

Plans and specifications have also been ready since the Spring of 1970 for the building of port facilities in l'Étang-du-Nord, again in the Magdalen Islands, but these facilities which unfortunately could not be built in spite of the plans made by the Public Works authorities for this year, may be developed in the Spring of 1972. The same type of development has long been overdue in the area between Étang-des-Caps and l'Anse-à-la-Cabane, but as early as next year we hope to undertake such construction.

After all, Mr. Speaker, if we want better cold storages and modern plants, we must first build facilities where the fishermen can send their fish. The fisherman's trade, as everyone knows, is a tough trade. The fisherman who sails out in the small hours of the morning must often face a very rough sea and he works hard the whole day. But if he has to drag his fishing boat and deliver his fish to inadequate facilities, he will soon get discouraged and more and more people will go on welfare. That is why I ask the federal government to speed up the building program of port facilities for those fishermen and I request it mainly to listen not only to the member who knows and should know his constituents' problems but also, since there are local and regional agencies, the officials of the Department of Public Works. The government should carefully pay attention to the proposals from these local agencies because the engineers from the federal Department of Public Works are always in the field and are aware of the fishermen's needs as does the member for Bovaventure-Îles-de-la Madeleine. I have already emphasized to senior officials in the Department of Public Works that it was not from their office in Confederation Heights that they can be aware of the needs of the fishermen in Bonaventure-Îles-de-la-Madeleine.

In this connection, I wish to state what the federal government has been doing for several years to improve the fishermen's lot. A considerale amount of work has been done in the Paspébiac harbour in the last few years, in the mainland area of my constituency, and a contract in excess of half a million dollars has been awarded by the Department of Public Works for extending the wharf there.

• (4:20 p.m.)

But only the offshore fisherman benefits by all these important projects. What about the inland fishermen who meet, as I said a few moments ago, around Magdalen Islands? The Federal-Provincial Committee on Fisheries has decided, in the framework of the development of the territory, to keep eight wharves only for unloading fish. In the Bonaventure area which is on the mainland, it has decided to keep three only on a distance from 125 to 140 miles. But the inland fishermen, the small fishermen who do not have those magnificent trawlers built with the generous aid of the Canadian government, what facilities will they have since the existing wharves are deteriorating due to a centralization policy? This policy is undoubtedly very good but it must not be forgotten that there will be inland fishing as long as there is fish and lobster in Chaleur Bay and in other Canadian waters.

Consequently, it is not normal that the coastal fishermen should be neglected, they who spent considerable amounts of money on their fishing gear and that they should be forced to travel a distance of 50 miles to find shelter and dispose of their catch.

Obviously, hon. members do not know every community in the riding of Bonaventure. Some of my colleagues, who live near Bonaventure, know the Gaspé Peninsula for having toured it briefly. They know, for instance, that between Gascons—is that not a pretty name—and Paspébiac, a distance of some 50 miles, there are no ports and no wharves to accommodate the coastal fishermen.

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): What a shame!

Mr. Béchard: I agree with the Parliamentary secretary to the Minister of National Health and Welfare (Mr. Ouellet) that it is a shame.

This is why I recently met those fishermen who told me that they would never agree on the site where such facilities should be built. If ever the time comes, they have decided to leave the choice of the site to the engineer of the Department of Public Works whom they trust.

Between Paspébiac and Carleton, which are 50 miles apart, there are no harbour facilities for the fishermen. We ask the Department of Public Works to repair the wharves, but they always answer: "According to the area development plan, only three wharves have been kept in the constituency and, consequently, it is useless to go against that policy.

In Ruisseau-Leblanc where there is a very nice wharf which would render great services to inshore fishermen and keep several families off welfare, a resourceful citizen, as are all my constituents, has built a plant to handle the catch of inshore fishermen and to process it for marketing purposes.

With the help of the government, if this wharf could be kept in good condition, if at least Ruisseau-Leblanc were made into a seaport and included with those that the federal-provincial committee has decided to maintain, this plant, in two or three years, would provide jobs to some fifteen persons, apart from the fishermen who could supply this plant and, as I was saying a moment ago, prevent many families from being compelled to their great shame, to live on welfare payments.

In the Magdalen Islands, the same situation prevails. A certain community which is called Fatima—a famous name—and which was endowed with a beautiful seaport, has been struck off the map. Fishermen are there today without any port facilities and they keep asking for them. So, the Department of Public Works as well as the Department of Regional Economic Expansion and the federal-provincial committee should wake up some day and

implement the suggestions made by the hon. member for Bonaventure and the fishermen of the Magdalen Islands.

An hon. Member: That is right!

Mr. Béchard: Mr. Speaker, I think I have said enough a short while ago about what the various federal departments have done to assist the fishing industry. A lot has been done, but there is still a lot to do.

There is also the part played by the Department of Regional Economic Expansion for the development of fisheries which awarded grants to industry in the designated areas. Other plants like the one at Ruisseau-Leblanc, which I mentioned earlier, could themselves make good use of such grants.

Again in the Magdalen Islands, in order to help families who until now had been living on social welfare during a good part of the year, we built a plant last year at Grande-Entrée, with the co-operation of the Department of Regional Economic Expansion, and this plant was awarded a $40,000 or $60,000 grant. As soon as it went into operation, its manager, who is also the mayor of Grande-Entrée and who took the initiative of establishing it told me: "I had to go as far as Havre-aux-Maisons to recruit workers". He had to hire people 60 and 65 years old because no one else was available. He had to hire people 60 and 65 years of age because no other workers were available since most families had been living on welfare until then, that means they were sponging off society.

That is what the government did to help fishermen of that small village of Grande-Entrée in Magdalen Islands.

Assistance to shipbuilding is also worth mentioning. As recently as last year, thanks to the federal government, two very big trawlers were launched at Sorel shipyards for a company operating at Cap-aux-Meules in Magdalen Islands. I was told this fall that the two boats made miraculous catches last summer and we paid 35 per cent of their construction cost or about $1 million. That amount represents the contribution of the federal governmeent to help the fishing industry in Magdalen Islands.

As I said, Mr. Speaker, the fisheries problem is one of the most important ones in this part of the country, and in my riding in particular. I think the federal programs implemented at this time are and will be very beneficial if the government is willing to listen to the local people who are prepared to accept centralization but, who want at the same time the little fishermen to be able to make a living. To do this, the small fishermen not only those of Bonaventure-Îles-de-la-Madeleine but also in Humber-St. George's-St. Barbe as well as Newfoundland, in short, all Canadian fishermen, must be able to continue to live from that industry where it is difficult to earn a livelihood, I must admit.

However, the fishermen who have intestinal fortidude,—those I know, at least,—want to earn their livelihood and not depend on social welfare. They want society, the Canadian government to which they pay taxes, to give them, in return, the facilities that will enable them to ply their trade and provide honorably and honestly for their families.

[*English*]

Mr. J. M. Forrestall (Dartmough-Halifax East): Mr. Speaker, it is a strange situation when one finds himself rising to speak to a motion in which he has already spoken. I gather that under the arrangement made earlier we are discussing the motion of my friend, the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall), but with the permission of the House I shall direct my remarks more along the lines of the motion which is included in this debate. If this is objectionable to anyone, I hope he will say so now.

With the help of the library I shall do something which I rarely do, that is, refer to notes because I think this matter should be put on the record very extensively. I am very pleased to see in the House the Minister of the Environment (Mr. Davis). Problems of the sea are a major part of his responsibility and he is very much aware of them.

• (4:30 p.m.)

The economic, social, cultural or other goals sought by a society determine the value of scientific enterprise in any field. The Science Council of Canada undertook to identify a set of goals indicative of the aspirations of Canadians, the factors or elements basic to the attainment of each goal, the contributions of science and technology to such attainment and conditions favouring the technological effort. For example, one element in national prosperity is the reduction of regional economic disparities; and technological contribution might be the development and application of new marine technology in existing or new industries, or sound programs for the optimum use and conservation of ocean resources.

Freedom and security for the nation and its people are dependent upon the development of necessary military technology, particularly in this age of atomic submarines and the deployment of missiles throughout the inner space of the ocean. An element in world peace is the limination of hunger. By means of advanced technology, the ocean could be a more productive source of foods, particularly of proteins, which are deficient in many areas of the world. Exploitation of the mineral and chemical resources of the ocean could benefit the economies of some developing nations as well as those countries which possess the advanced technology to effect such recovery. Certainly, the global character of marine science would make it a useful instrument of foreign policy and foreign aid. Oceanography, marine and undersea technology is an area to which the Science Council proposed to give future consideration after major programs were started in space, in water resources management and in some other important fields in Canadian life.

Perhaps the pace of technological development is hastening consideration of Canada's future in oceanography, which may in the near future lead to a more definitive statement of national objectives relative to the ocean. It has been more than a year since the Science Council of Canada made known in its report to the nation its views. Not the least alarming fact in this connection is that there has been no useful or meaningful progress along the lines recommended in reports that have been before us for a considerable period. The Committee on Marine Science and Technology reported in 1970 on organization for the formation and implementation of national marine policy, the need for a major program in marine science and technology, some major projects, facilities, manpower needs and the scale of marine science and technology

expenditures. In order to achieve a balanced program, the committee suggested that the formulation of national policy be assisted by a widely representative national board on marine activity which would make recommendations to the minister responsible for science policy. I ask the minister where that board is and whether its members have been named.

Implementation and co-ordination of policy in marine science and technology would be the responsibility of departments with marine interests, the Canadian Committee on Oceanography and a Canadian ocean development corporation. I ask the minister, before he leaves the chamber, what has happened to that development corporation.

I do not ask my question rhetorically; it is an important matter. This Crown corporation would be responsible for organizing marine development and innovation projects in industry, for the rapid establishment of a solid technological base and for the promotion of marketing products and services at home and abroad. Marine environmental problems would be kept under review by the proposed environmental council reporting directly to the office of the Prime Minister. In consideration of the challenges and opportunities existing in our ocean frontier, the committee stated that a major, national program in marine science and technology is needed.

With regard to technology and industry, the committee drew attention to the need for effective promotion by the government, promotion which has been totally absent during the past year. The committee said:

> Marine technology is about to enter an era of rapid growth. Its development requires close attention to ensure an orderly growth with a substantial Canadian participation. Here is an area that can benefit the investor and provide meanginful employment to skilled Canadians, if we are willing to accept the challenge. If Canada does not act, others will try and they will reap the benefits.
>
> Canadians have been active in the areas off our coasts for some time, and the technological capability necessary to support our coastal fisheries maritime forces and scientific activities offshore does exist, but mainly in government and university laboratories. Unfortunately this expertise has not found its way into industry.

That expertise does not exist outside of government or the university laboratory because the government has failed to heed one of the essential recommendations of that report and get on with the job of promoting the development of the ocean and establishing a development corporation. In other words, the government has failed to recognize that the greatest resource available to Canadians is not necessarily found on the land but, in all likelihood, may be found in the sea. That is the policy the government has failed to implement.

The administration of that policy would be the responsibility of the proposed Canadian ocean development corporation of which we have heard virtually nothing. I spoke one year ago about the scale of expenditure in connection with this and I want to enlarge upon those remarks. I referred to expenditures in the order of $300 million in 1980 when I spoke on November 30, 1970. I dealt with the question of costs and I think it is worth repeating what I said. As recorded on page 1600 of *Hansard* for November 30, 1970, I said in part:

> What about the cost factor? That is clearly set out in the report of the Science Council. They call for an escalation in expenditure so that by the 1980's our investment will be in the order of $300 million. I support this proposal. Surprisingly enough, the figures that I worked out one year ago differ from the figures of the Science Council with respect to 1980 by only $15 million. One of the things we must be concerned about, if we are to accept this proposition after careful study, is this: we must make sure that the build-up, if it does take place, will be sustained. I imagine that the Science Council would support this idea, although it does not particularly deal with it in its report.

I am alarmed because the government has seen fit to deal with this matter only in the last ten or 12 months. The United States of America, the United Kingdom and a dozen other countries around the world have already made extremely important and significant progress in this area. In many instances other countries have made significantly greater progress than Canada in an extensive examination of the resources of the sea and the relation between those resources and national goals. I quote briefly from the report made to the President of the United States by the commission on marine science, engineering and resources, as follows:

> The nation's stake in the uses of the sea is synonymous with the promise and threat of tomorrow. The promise lies in the economic opportunities the sea offers, in the great stimulus to business, industry, and employment that new and expanded sea-related industries can produce. The promise lies also in expanding the nation's horizons, in strengthening its international position and peaceful collaboration among nations, and in the possibility that action today will permit man to make a start toward ultimate control of his planetary environment. The promise lies in making available new reserves of important minerals and in ensuring new sources of food.
>
> The threat lies in the potential destruction of large parts of the coastal environment and in the further deterioration of economically important ports, recreational facilities, coastal shellfisheries, and fisheries on the high seas. There is the threat inherent in any failure by the nation to utilize successfully its fair share of a major planetary resource; the United States simply cannot afford less than its best effort to utilize the global sea. Finally, there is the threat that unbridled international competition for the sea's resources may provoke conflict.
>
> A time of decision is here. Multiple pressures force the nation to turn to the sea, and multiple opportunities await the seaward turning.

Those words are prophetic. The government, with all its interdepartmental committees, cabinet committees and various ways of dealing with the business of the nation, has had one year to ponder this problem. Surely it has had sufficient time to give us some word about the ocean development corporation, the relationship between the Atlantic Ocean, the Arctic Ocean, the Pacific Ocean, Hudson Bay, the Gulf of St. Lawrence, the resources of these waters in terms of fish and the tremendous mineral content, the resources that are on the seabed and under the surface. Now that we are well launched into the 1970s, surely now is the time for a statement on national goals with respect to the sea. It is to this matter that I direct my remarks.

• (4:40 p.m.)

It is regrettable that with only 15 or 20 minutes remaining in today's sitting no speaker on the government side has directed himself to this important concept of awareness and utilization in the fullest sense of the resources that lie off our coasts.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, implicit in the resolution advanced

by the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) is the suggestion that the government has in some way failed in its responsibility to the fishing community of the east coast. The resolution suggests there should be far more government involvement in measures to assist that industry. I cannot help but comment paradoxically, the party which is today talking about poor government participation has been saying, non-stop for 38 solid days, that the government should interfere less in the lives of Canadians, should reduce taxes, the government is too big, wants larger government expenditures for the areas they represent. The philosophy they enunciate in the House is completely by the board on those occasions.

I have visited the Maritimes. I was impressed by what I saw. I refuse to believe that the gloom, doom and the disaster gang who represent certain maritime provinces in this House of Commons represent the spirit of Newfoundland. No province faced with the challenges which have confronted Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island could possibly have been built into a great province with the spirit that pervades the House from the other side of this assembly. There are problems in the Atlantic provinces, just as there are in other provinces of Canada. However, when are we going to hear the Newfoundlanders in this assembly tell us that during the past year the average price per pound of fish on the east coast has been the highest in history? When are we going to hear that kind of information? Instead we hear the—

Mr. Deputy Speaker: Order, please. The hon. member for Gander-Twilingate (Mr. Lundrigan) is rising on a point of order.

Mr. Lundrigan: My point of order is very simple, Mr. Speaker. The hon. member for Burnaby-Seymour (Mr. Perrault)—

Mr. Perrault: That is not a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. That question is within the Speaker's jurisdiction to determine. I cannot make a determination until I hear the point of order.

Mr. Lundrigan: Mr. Speaker, the hon. member for Burnaby-Seymour is not permitted by the rules of the House to read the notes which the Minister of Fisheries (Mr. Davis) gave him during his ten-minute break.

Mr. Deputy Speaker: Order, please. The hon. member for Gander-Twillingate has just confirmed that it is not a point of order.

Mr. Perrault: Mr. Speaker, I hope the St. John's press makes careful note of the deliberate attempts by certain Newfoundland representatives here to prevent the facts being placed on the record.

Some hon. Members: Hear, hear!

Mr. Perrault: I hope they consider the bona fides of the group which makes up the government of this country. Why cry the blues when the fishing industry in the Maritimes is, happily, the highest in history during this year?

Mr. Bell: Highest what?

[Mr. Perrault.]

Mr. Perrault: The sad, sad talk that you get from that corner of the House does not inspire one ounce of confidence in those people we are trying to inspire to invest their money in the fishing industry of that area. Happily, many of the investors who have come in such large numbers to the industry in the past two or three years have not listened to the doom and gloom of opposition members in the House.

The present minister responsible for fisheries, and the government of Canada, have acted decisively and effectively to assist the fisheries in the maritime provinces. When the right hon. member for Prince Albert (Mr. Diefenbaker) was Prime Minister of Canada he did not advance one single measure on behalf of the fisheries of Canada in five long, doleful years as leader of the government. This is incredible.

Mr. McGrath: I rise on a point of order, Mr. Speaker. I know the hon. member and I know that he is well informed. Consequently, I can only come to the conclusion that he is deliberately misleading the House, because the statement he just made is not true.

Mr. Deputy Speaker: That point, of course, is a matter of argument.

Mr. Perrault: Mr. Speaker, I am simply contrasting the performance of that group when they were in government with what has been done on this side of the House. In five months, more than five important fisheries measures have been advanced by this minister and this government. This morning there was reference from the opposition members to the plight of baby seals. Another member from the great province of Newfoundland was spreading gloom and doom. The fact is that when the people opposite formed the government they did not bring in one single measure to conserve the seal stocks of Canada.

If the invasion of the Russian and Norwegian fleets had been allowed to continue in 1971, we would not be talking about a limitation of the seal fishery or the seal catch. We would be looking at pictures of those species of seals on lithographs as well as passenger pigeons and dodo birds. This is what would have happened if those policies had continued. Yet we hear criticism of the Minister of Fisheries (Mr. Davis). Opposition members talk about inaction. The three-mile limit has been in effect in Canada almost from the time of Confucius. What did these people do about the three-mile limit? Not a single thing. They did not even make decent speeches on the subject.

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

Mr. Perrault: I will permit a question when I have completed my remarks.

Mr. McGrath: It will be too late then; you will have talked out the resolution.

Mr. Perrault: In a spirit of democracy I will permit a question at the end. When we hear talk about the great concern for the fisheries on the east coast from these people, in contrast with the performance when they were in government, this must be the greatest conversion since St. Paul was blinded on the road to Damascus. When they had their chance, their policy was one of benign action.

The passionate opposition refused to initiate any substantial action on behalf of the fishing industry when they were in office.

Mr. McGrath: That is not true and the hon. member knows it. He should not continue to mislead the House.

Mr. Perrault: They tell us we are not doing well enough.

Mr. Lundrigan: I am one of the most broadminded members in the House of Commons and I do not want to restrict—

Mr. Deputy Speaker: Order, please. The hon. member should state his point of order.

Mr. Lundrigan: Quite simply, Mr. Speaker, the motion before the House does not have anything to do with the topic which the hon. member is discussing.

• (4:50 p.m.)

Mr. Perrault: If there is one thing that hon. members opposite have yet to learn, it is when to sit down. Let me put some of it on the record.

Mr. Forrestall: Some of what?

Mr. Perrault: Some of the assistance that has been given to east coast fishermen. The government is fully aware of the need for facilities of the type referred to in the hon. member's motion and has been actively supporting this approach over a period of many years. Despite the many accomplishments of the past it is fully recognized that in many areas, especially the more isolated ones, there is need for facilities that will enable fishermen to sell and obtain income from all the species which they now land and for which a demand exists. That there is a demand is admitted by the department.

Programs already undertaken by the fisheries services of the environment department have introduced fishermen to many new types of gear and larger, more mobile boats. This has in turn increased the proportion of their catch which is made up of species other than cod which fishermen cannot process themselves and which must therefore be transported to a plant where more sophisticated processing equipment such as freezers is available.

Mr. McGrath: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order. The hon. member for St. John's East (Mr. McGrath) on a point of order.

Mr. McGrath: I think the hon. member has an obligation to the House to identify the document from which he is reading.

Mr. Perrault: Unlike some of the speeches made by the hon. member, I am presenting to the House facts in the form of extended notes to make sure that they are absolutely accurate. At the same time, the demand in the market for species other than cod has increased a great deal during the past decade. Resulting from this we have been bringing into production species and product forms hitherto not generally processed in Newfoundland.

Already many steps have been taken to provide collection facilities to enable these species to be delivered to the nearest plant having facilities to process them. There are many so-called community stages and fresh fish collection centres scattered around the coastline. While initially the community stage program was intended for the production and storage of salted fish, some of these have now in fact been upgraded and altered so as to enable them to become collection centres where all species can be assembled, sorted and held prior to being transported to a processing plant.

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

Mr. Deputy Speaker: Order, please. The hon. member has indicated that he will not accept a question until he has concluded his remarks.

Mr. Perrault: In addition, many of the fishermen in my hon. friend's riding can obtain loans through the Fisheries Improvement Loans Act to construct new shore facilities or improve existing ones as well as to obtain new boats, gear and other seagoing facilities. Under the program of the Department of Regional Economic Expansion there are a number of sources of financial assistance—

Mr. Marshall: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The hon. member is seeking the floor on a point of order.

Mr. Marshall: May I point out to the hon. member that under the Fisheries Improvement Loans Act three loans were granted in Newfoundland last year.

Mr. Deputy Speaker: Order, please. The hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) is raising a matter of argument, not a point of order.

Mr. Lundrigan: A point of order, Mr. Speaker.

Mr. Deputy Speaker: I do not know how a point of order can arise when the parliamentary secretary has not spoken since the previous point of order was raised.

Mr. Lundrigan: Then I raise a question of privilege.

Mr. Deputy Speaker: The hon. member for Gander-Twillingate on a question of privilege.

Mr. Lundrigan: The hon. member for Burnaby-Seymour (Mr. Perrault), like all hon. members, has a responsibility to present the facts. The community stage program was discontinued years ago.

Mr. Deputy Speaker: Order, please.

Mr. McGrath: He is deliberately misleading the House.

Mr. Deputy Speaker: Order, please. Hon. members must observe the rules of the House. The parliamentary secretary has the floor.

Mr. Perrault: Another thing I have found out about Newfoundland is that the people there believe in democracy. That is another reason—

Some hon. Members: Oh, oh!

Mr. McGrath: The Liberal party of Newfoundland does not believe in democracy.

Mr. Perrault: The Regional Development Incentives Act has enabled many fish plant operators to improve and expand their facilities. It has also provided the means whereby new processing facilities have been built in more marginal areas where fish is available but in quantities which made their viability uncertain without this assistance. Through these programs more fishermen than ever before are now able to dispose of all the species which they catch.

Aside from this we must not overlook the fact that already located throughout Newfoundland are many well equipped fish processing plants. Indeed, at this time the processing capacity is probably greater than the actual requirement. As a result of this situation, most of these plants have continued to extend their systems and facilities for collecting fish from outlying settlements.

Some of the opposition members from Newfoundland are terrified of democracy. It is interesting to hear their reactions to it.

Mr. McGrath: We have reason to be terrified of democracy with the Liberal government we have in Newfoundland.

Mr. Perrault: Using ARDA funds, the government of Newfoundland and Labrador is also providing a number of facilities of the type the hon. member is referring to in his motion. While I have referred to a number of ways in which solutions to the problem are being found—and found enthusiastically and optimistically, not in the mood of gloom, doom and disaster that we have listened to this afternoon—nevertheless this is not to suggest that there is not a continuing need for improved fishing facilities. This government will continue to improve the program, hopefully with the co-operation of some of the doomster opposition members on the other side of the House. To this end the fisheries division of the Department of the Environment is constantly reviewing the situation and formulating new plans with a view to providing better facilities in areas still not adequately serviced.

Under a whole range of government programs, not only has a substantial amount of the DREE budget gone to the Atlantic provinces to provide new fish plants, herring reduction plants; it has also assisted in the re-establishment of centres and communities. One third of the cost of every fishing boat, except for the fleets that are limited by law, has been provided by the federal government which has been under unfair assault on this matter for so long. In addition to this, the government has financed water supply systems for new and existing plants.

Mr. McGrath: Question. Don't talk it out.

Mr. Perrault: Why don't these Newfoundland members, who claim to be so objective in their political views, stand up and give vocal and public support to some of the measures brought in by the government?

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of private members' business has now expired. It being five o'clock p.m. this House stands adjourned until Monday next at two o'clock p.m., pursuant to Standing Order 2(1).

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 6, 1971

The House met at 2 p.m.

HOUSE OF COMMONS

FIFTIETH ANNIVERSARY OF ELECTION OF LATE J.S. WOODSWORTH

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, pursuant to notice which I gave to Your Honour this morning, and as a matter of privilege, I should like to draw the attention of the House to the significance of this day in Canada's history. It was on December 6, 1921, exactly 50 years ago today, that the late J. S. Woodsworth was first elected to the Parliament of Canada. We in this party are of course deeply conscious of our debt to him for what he did for our movement. I think it might also be said that few men have made a mark on the history of this country such as that made by the former member for Winnipeg North Centre, whom I had the honour to succeed when he died in 1942.

I believe members of the House might be interested in knowing that his widow, Mrs. Lucy Woodsworth, now 97 years of age, is resident in Ottawa at St. Vincent hospital. It may well be that members would like our greetings to be extended to her on this occasion. If so, I know of no one more qualified to do that than the daughter of Mr. and Mrs. Woodsworth, the distinguished member for Vancouver-Kingsway (Mrs. MacInnis).

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

STATEMENT BY MINISTER ON OUTBREAK OF WAR BETWEEN INDIA AND PAKISTAN

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I know that I speak for all members of the House when I express the government's profound regret that open war has broken out on the subcontinent of India.

General hostilities erupted between India and Pakistan last Friday. Each government has accused the other of having started this latest stage in their tense confrontation which began some eight months ago. Reports of the fighting are contradictory. It seems fairly clear that neither side has yet heavily committed its forces on the western front; in and around East Pakistan, however, Indian forces are exerting considerable efforts to gain territory. India has recognized the provisonal government of Bangla Desh.

An emergency session of the United Nations Security Council was called Saturday evening on the initiative of nine of its members to consider the deteriorating situation. It met again on Sunday and will meet also this afternoon. A number of resolutions have been presented but no consensus is yet in sight. Our ambassador at the United Nations is in close touch with events there and is keeping us informed. It is our hope that the Security Council will find enough common ground to be able to act decisively. In the absence of such action, it will be necessary to consider what the General Assembly could achieve.

The safety of Canadian citizens on the subcontinent has been very much in our minds this weekend. In India, there are some 1,100 Canadians registered with the High Commission in Delhi. More than a month ago, those living near the border with Pakistan were advised to consider moving to a safer location. In East Pakistan there are 40. In the early hours of this morning, at the request of the Secretary General of the United Nations, a Canadian Armed Forces C-130 aircraft was diverted to Dacca to help in the evacuation of United Nations personnel. It was intended that it should also be available to any Canadians who might not have left earlier, Commonwealth citizens and other nationals. Although a local ceasefire had been arranged by the United Nations with the Pakistani, Indian and Mukti Bahini forces which would permit the aircraft to land at Dacca, that airport was attacked at precisely the hour our aircraft was to begin its approach to the area. The aircraft returned to Bangkok safely. We trust that with renewed assurances of another local ceasefire, we shall have better success tomorrow.

• (2:10 p.m.)

In West Pakistan, where 270 Canadians are registered at the High Commission in Islamabad, those responsible on the spot have not yet concluded that action is necessary. Some time ago Canadians in the Lahore area were advised to consider moving, and it was suggested to those in Karachi that they should be prepared to leave at short notice. Yesterday nine Canadians arrived in Teheran on a commercial flight from Karachi; their families have been informed. There have been reports that other commercial flights have followed.

From the beginning Canada has been in touch with the governments of India and Pakistan at the highest levels. To the government of India we have urged patience and restraint in a situation of great difficulty. To the government of Pakistan we have stressed the urgent necessity of speeding up of a return to civilian and representative government, particularly in East Pakistan. We have been among the most concerned and engaged in the great world humanitarian effort to succor the refugees, and have latterly been directing our efforts to increased assistance to India to help relieve the burden on its budget and

development program which the pressure of so many extra people represents.

Mr. Heath Macquarrie (Hillsborough): It is needless to say, Mr. Speaker, that it was with heavy heart that I listened to the minister's statement. I know that I share with him and all hon. members a profound sense of sorrow at the developments which we have been learning about in recent days and hours in the Indian subcontinent.

We are, of course, particularly concerned about the welfare, safety and security of our own nationals in the area. I am particularly distressed that certain hostile actions have been taken at times, not only in the place mentioned by the minister but at other evacuation points, when the innocent and proper removal of civilians was being undertaken. It is deplorable and regrettable. I hope we will not have further reports of such unfortunate incidents.

The whole question in recent months has not brought forth much reason for optimism. For a long time we should all have seen the gathering clouds over the Indian subcontinent, and should have been prepared for the prospects of the kind of warfare which is being waged by these two countries at the present time. For months there has been tragedy in the subcontinent. Now, with the opening of hostilities, the tragedy has been widened and broadened and given more painful dimensions, and who knows how horrendous might be the situation if this continues.

It is all the more painful, I think, because these are friendly states of the Commonwealth. We feared the situation and we wondered. The burden which India had to bear was a terribly heavy one. Yet, while neither a pacifist nor a dove, I can never believe that a warlike solution today is in fact a solution to problems of this kind. Perhaps the world has not taken sufficient note of the dimensions of the problem. Perhaps the international community should have moved more quickly. Now it is too late to pass judgment on the past.

I am sure everyone here is disturbed about the seeming incapacity so far of the Security Council to take effective action, indeed, Sir, to take any action on this terrible, awful conflict involving so many people and with the grim potentiality of involving so many more. The Security Council, having met hour after hour, seems to end with the use of the veto and in futility. Whether it will be necessary to move from the Security Council to the General Assembly through the technique of the "uniting for peace resolution", as it was once called, we do not know. I would hope the minister might tell us more about the Canadian government's point of view on that. I hope he will also be able to tell us more about what the Canadian nation and the Canadian delegation are prepared to do.

I thank him for this statement. I realize there is not much he can say at this time, but I hope that in the future he will keep the House and the country informed. I can assure him that all of my colleagues, and I am sure all Canadians of decent outlook and concern for the peace of the world, will support the Canadian government in any measure which it can take to help roll back the frontiers of hatred and bring about as quickly as possible that which surely is of the essence today, the cessation of hostilities through a ceasefire.

[Mr. Sharp.]

Mr. David Lewis (York South): Mr. Speaker, it is unnecessary to assure the Secretary of State for External Affairs that we appreciate the efforts the government has obviously taken to assure the safety of Canadian nationals in the area referred to. It is also unnecessary, I think, to say to him that we appreciate fully the difficulties of the situation and the fact that the contribution which Canada is able to make in the solution of the political and military problem is necessarily limited.

I want to underline in my comments on the minister's statement the seriousness of the war not only for the people directly concerned, the people of India and Pakistan and the people of East Pakistan, but for the future peace of the world. The failure of the Security Council to arrive at any consensus, Mr. Speaker, is not accidental; it is due to the fact that the Soviet Union has launched itself on one side and Mainland China has launched itself on the opposite side and the United States of America is trying to make up its mind precisely where it belongs. It is the ranging on opposite sides by these big powers that makes it impossible for the Security Council to reach any solution to the problem and makes the war so dangerous to the future peace of the world.

I say through you, Mr. Speaker—and I hope not presumptuously to the people concerned on this subcontinent—that if the war continues very long and attracts the forces of perhaps China on one side and the Soviet Union on the other, or accelerated military assistance from one side or the other or both, then obviously world war will come a step closer and the danger of nuclear destruction will become as serious as it has ever been since the end of the last war. Therefore, Mr. Speaker, without wanting to be dramatic about the subject I think the Canadian government ought to consider very seriously whether the matter should be left very much longer with the Security Council in view of the futility which has resulted from that or whether it should be taken to the General Assembly where the veto does not exist and perhaps the international world might take some steps to advance peace in the area.

I think it is important to remember that this outbreak of war is the result of many years of conflict and was particularly sharpened by the shortsightedness of American policy in 1958 or so when the Indian declaration of nonalignment suggested to Mr. Dulles and his associates in Washington that Pakistan ought to be militarily strengthened. It ought also to be remembered that the war has occurred because of the completely indefensible step taken by Mr. Yahya Khan, the head of the government in West Pakistan, against the Awami League, which had won all of the seats in East Pakistan and some in West Pakistan in a democratic election in that country. Mr. Yahya had refused to permit Sheik Mujib to become the head of government of all Pakistan as the election required him to do. Instead, he has imposed a military government and has outlawed the Awami League and imprisoned not only Sheik Mujib but others as well. In our anxiety to have the war ended by a ceasefire—all members of my party in the House are as anxious to see that as any other member or any other citizen of Canada—we should not fail to remember what Yahya Khan has done to the democratic process in Pakistan and to the people of East Pakistan and no step

should be taken at the expense of the freedom and the future of the people of East Pakistan.

• (2:20 p.m.)

May I also say a word which I imagine is unnecessary but which I feel ought to be put on record. This war ought in no way to interfere with the assistance given, and which must be continued, to India to deal with the eight to ten million East Pakistani refugees now in India who require succour and aid. I am sure the Secretary of State for External Affairs will agree that Canada will in no way reduce its determination to continue its assistance to the refugees, and I hope our influence will be used so that other countries in the world will not cease or reduce their aid.

All of us in this House hope that some solution may be found to this war, perhaps a temporary ceasefire to be followed by a political solution that will recognize the rights and the freedom of the people of East Pakistan and, indeed, of West Pakistan as well, and that the military junta, to use a South American term for an Asiatic government, that now seeks to control all Pakistan will be dispossessed of its power by the free democratic process of the Pakistani people.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, we were aghast at hearing, over the past few days, the news concerning the war between India and Pakistan. I believe few Canadians have any hope of immediate settlement of that war, at least so long as the issue remains in the hands of the Security Council.

Last night again, I was listening to news on television coming to us from New York, where the aristocracy of the world boldly plays politics on the occasion of such serious conflicts as the one opposing India and Pakistan. So long as powers like Communist China and Russia will be providing the two parties involved with arms, there is little hope that peace may be restored in that part of the world. Furthermore, so long as wars will supply major markets for arms manufacturers, notwithstanding the United States, embargo on shipments of arms to India, nations will lie at the mercy of warfaring countries. It is an open secret, Mr. Speaker, that major international arms manufacturers need no permission for their arms.

I believe the government and the Secretary of State for External Affairs (Mr. Sharp) share our pessimism judging by the very important security measures that have been taken in order to ensure the evacuation of Canadians living in that part of the world.

Mr. Speaker, when such conflicts arise we should let the countries concerned, in this case Pakistan, settle them. The world would then be better off.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT PERSONNEL

Question No. 1,755—**Mr. McQuaid:**

How many people working for the Department of Indian Affairs and Northern Development were transferred or have left the Department or the Public Service in the past two years?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Approximately 3,000 people per year. The above figure includes casuals and employees who have transferred to the Northwest Territories Government.

INCENTIVE GRANT TO CHOICELAND DEHYDRATES LTD., SASKATCHEWAN

Question No. 1,781—**Mr. Mazankowski:**

1. Was an industrial incentive grant awarded to Choiceland Dehydrates Ltd. of Saskatchewan and, if so, what amount was awarded?

2. What were the dates of application to and approval by the Department of Regional Economic Expansion?

3. Was an extension for the grant requested and, if so, for what reason?

4. What was the date of the application for an extension?

5. On what date was approval of the extension granted?

6. Who are the principal shareholders and directors of this company?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. Yes, an offer of $85,000 was made and accepted.

2. (a) December 29, 1969; (b) April 9, 1970.

3. Yes an extension was requested because of unforeseen delays in gas line construction by the Saskatchewan Power Corporation.

4. March 30, 1971.

5. April 14, 1971.

6. Information provided by business firms in the course of government investigation of proposals is on a confidential basis.

OPERATION COMPULEX

Question No. 1,857—**Mr. Robinson:**

1. When will operation "COMPULEX" be completed?

2. What is the anticipated cost of this pilot study?

3. Will the cost be borne solely by the government?

4. Are computers to be utilized in the study?

5. Is it proposed in the terms of reference that data banks be considered for the use of the public and/or professions?

Hon. John N. Turner (Minister of Justice): 1. It is estimated that Operation COMPULEX will be completed by March 31, 1972.

2. The anticipated cost of this study is approximately $125,000.

3. The cost of the Study will be borne solely by the government.

4. Computers will be utilized in the Study solely for the purpose of compilation of results.

5. Data banks are being considered in the Study for the use of the public and profession.

RECIDIVIST RATE OF MALES ADMITTED TO PENITENTIARIES

Question No. 1,871—**Mr. Orlikow:**

What was the recidivist rate of males admitted to each Canadian penitentiary in 1970?

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Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): To answer this question, Statistics Canada has defined the term "recidivism" to mean any previous commitment to a penitentiary or other adult correctional institution. The attached table shows the number of males admitted to each Canadian penitentiary for the year 1970 by the number of previous commitments to a penitentiary or other adult correctional institution.

Males Admitted by Penitentiary by Previous Commitments*—1970

Penitentiaries	Males Total Admissions	No Previous Commitment	With Previous Commitment	Number of Previous Commitments*								
				1	2	3	4	5	6–10	11–15	16–20	Over 20
Newfoundland	43	14	29	15	4	3	2	2	2	1	—	—
Dorchester	444	110	334	95	87	53	35	25	31	10	3	—
St. Vincent de Paul	1,279	386	893	250	177	156	81	58	128	32	6	5
Kingston	1,128	176	952	175	131	142	129	90	209	46	20	10
Manitoba	426	123	303	66	54	47	31	26	61	8	5	5
Saskatchewan	445	66	379	61	59	43	51	32	98	24	7	4
Drumheller	137	34	103	23	20	15	15	11	16	3	—	—
British Columbia	548	95	453	78	67	61	43	39	106	41	9	9
Total Males	4,450	1,004	3,446	758	599	520	387	283	651	165	50	33

*Previous commitments to a penitentiary or other adult correctional institution.

WHITEHORSE, Y.T.—TRANSFER OF PUBLIC WORKS EMPLOYEES

Question No. 1,969—**Mr. Orlikow:**

1. How many meetings have been held between the Department of Public Works and the City of Whitehorse concerning the transfer of certain Department of Public Works employees to that City?

2. How many meetings have been held between the Department of Public Works and Officials of the Territorial Government concerning the transfer of employees in the Department of Public Works (highway maintenance crews) to the Territorial Government?

3. Have any meetings been held with the group mentioned in part one and/or their Union representatives and (a) if so, how many (b) if not, for what reason?

4. Have any meetings been held with the group referred to in part two and/or their Union representatives and (a) if so, how many (b) if not, for what reason?

5. If such meetings have not been held, will the government give the assurance that all negotiations will be held in abeyance until such meetings are held with the employees affected and/or their Union representatives?

6. Have arrangements been worked out between the Department of Public Works and the City of Whitehorse in connection with the transfer of employees of the Department to the City of Whitehorse in regard to the transfer of accrued sick leave, special leave and the type of pension plan to which the transferred employees will be entitled and, if so, were these arrangements arrived at after discussions between representatives of the Department of Public Works and the City of Whitehorse and were representatives of the employees affected involved in the discussions and, if arrangements have not been completed, will representatives be consulted before agreements have been reached?

[Mr. Turner (Ottawa-Carleton).]

Hon. Arthur Laing (Minister of Public Works): 1. Three exploratory meetings were held between the Department of Public Works and the City of Whitehorse concerning the proposed transfer of firefighting and water treatment functions to that City. The matter is still under consideration.

2. Four meetings were held between the Department of Public Works and Officials of the Yukon Territorial Government in connection with the transfer of employees of the Department of Public Works to the Territorial Government.

3. Yes, (a) Two meetings have been held with the employees affected and their representatives. (b) Not applicable.

4. Yes. One meeting was held between the Department of Public Works and executive officers of the Public Service Alliance of Canada. Four meetings were held with representatives of the Public Service Alliance of Canada Component representing the Department of Public Works employees affected.

5. Not applicable.

6. No arrangements have been made regarding the transfer of accrued benefits for the Department of Public Works employees who will be taken on strength by the City of Whitehorse. Negotiations are, however, continuing towards the possibility of entering into a reciprocal arrangement with regard to superannuation. Neither the employees who might be affected not their union representatives were involved in discussions with the City of

Whitehorse. Employees and their union representatives will be consulted prior to any possible reciprocal arrangement being entered into concerning superannuation.

WATERLOO, ONTARIO—UNEMPLOYMENT INSURANCE COMMISSION OFFICE

Question No. 2,014—**Mr. Hales:**

1. What was the amount spent by the Unemployment Insurance Commission and by the Public Works Department on the Unemployment Insurance Commission office in Waterloo, Ontario, for each of the past five years?

2. For what purposes were those amounts expended?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1 and 2. By U.I.C.

Fiscal year			
1967-68	—	Open landscaping	
1968-69	—	(a) loose-lay rug	$ 9,538
1969-70	$14,238	(b) plants	400
1970-71	—	(c) screens	4,300
1971-Sept. 1971	—	Total	$14,238

By the Department of Public Works.

Fiscal Year	Rent	Miscellaneous	Total
1967-68 (from Oct. 1, 1967)	$17,955	$ —	$17,955
1968-69	37,338	411	37,749
1969-70	39,153	23	39,176
1970-71	42,767	1,210	43,977
1971-72 (to Sept. 30, 1971)	21,745	124	21,869

NUMBER OF PUBLIC SERVANTS OF RETIREMENT AGE STILL WORKING

Question No. 2,030—**Mr. Mather:**

Is there an estimate of the number of public servants of retirement age who are still working and, if so, what is the number?

Hon. C. M. Drury (President of the Treasury Board): It is estimated that there are 700 public servants of retirement age who are still working.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT—EDUCATION BRANCH

Question No. 2,055—**Mr. Orlikow:**

1. Is there a curriculum section in the Education Branch of the Department of Indian Affairs and Northern Development and, if so (a) how many people are employed in such section (b) what are the qualifications of each (c) how long has each been with the section?

2. How many books have been written for use in the North since the section was established?

3. What liaison is there between the section and the teachers in the field who are in close touch with the actual learning problems of Indian and Eskimo students?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. No, the schools follow the prescribed provincial curricula. The Branch supplements these curricula through supporting the development of culturally oriented instructional materials and programs of cultural enrichment. (a) and (b) The Education Branch employs a Curriculum Coordinator who is a former teacher and specialist and has a Bachelor's degree. (c) Seven years.

2. From 1956 and until January 1970 when the Government of the Northwest Territories assumed responsibilities for Education, in the North, the Department produced special materials numbering 67 titles for use in northern schools.

3. Liaison is maintained through school visits, participation in conferences, workshops, orientation courses and correspondence.

COLOMBO PLAN

Question No. 2,067—**Mr. Robinson:**

Is it the intention of the government to extend the Colombo Plan beyond 1971?

Hon. Mitchell Sharp (Secretary of State for External Affairs): At the Colombo Plan Conference held in Victoria, Canada, in 1969, the Consultative Committee of Ministers agreed to an extension of the Colombo Plan for a period of five years from July 1971 to June 1976 and approved the recommendation that the Consultative Committee continue to meet annually with consideration of a further extension to take place in 1974. This decision was concurred in by Canada by the Secretary of State for External Affairs who acted as Chairman of the Consultative Committee at the 1969 Conference.

RE-CYCLING OF METALS

Question No. 2,082—**Mr. MacRae:**

As a conservation measure, which government departments are re-cycling metals?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): None, however the Department of the Environment is initiating a program for solid waste management, which will encourage and assist the development of methods to re-cycle valuable materials including metals and glass.

RE-CYCLING OF GLASS

Question No. 2,083—**Mr. MacRae:**

As a conservation measure, which government departments are re-cycling glass?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): See reply to question numbered 2,082.

INDIAN ECONOMIC DEVELOPMENT FUND—MARITIMES REGIONAL ADVISORY BOARD

Question No. 2,089—**Mr. Corbin:**

1. What are the names and addresses of the members on the Maritimes Regional Advisory Board for the Indian Economic Development Fund and, on what date was each appointed?

2. (a) How many meetings has the Board held (b) at what locations (c) on what dates (d) were all members present?

Questions

3. How many applications for funds, by project, were reviewed and, of these (a) how many were approved (b) how many were rejected (c) how many projects were completed?

4. What was the assessment of the Department of Indian Affairs and Northern Development of the programme for the Maritimes?

5. (a) What is the name of the business services manager under the Fund for the Maritimes (b) how was he appointed (c) who authorized the appointment (d) on what date (e) for what term?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Norhtern Development): 1-4. The Maritimes Regional Advisory Board of the Indian Economic Development Fund has not yet been appointed, therefore, answers to Parts 1 to 4 of this question are not available.

5. (a) Mr. M. D. Hanly; (b) following a national competition conducted by the Public Service Commission; (c) Public Service Commission; (d) August 9, 1971; (e) on a continuing basis.

HISTORIC SITES—GOVERNMENT HOUSE, CHARLOTTETOWN, P.E.I.

Question No. 2,120—**Mr. Macquarrie:**

1. What designation has been given to Government House, Charlottetown by the National Historic Sites Service?

2. What restoration or other work is planned for this structure?

3. Have any other residences of lieutenant-governors been so designated and, if so, what are the dates of such designation?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Old Government House, Charlottetown, Prince Edward Island, has been declared of national historic and architectural importance and will be commemorated by a plaque of the Historic Sites and Monuments Board of Canada.

2. None.

3. Yes. (a) Old Government House, Fredericton, New Brunswick, in 1958; (b) Governor's Cottage, Sorel, Quebec, in 1957; (c) Old Government House, Regina, Saskatchewan, in 1968.

NATIONAL DEFENCE—PAY AND ALLOWANCE TRADE CATEGORIES

Question No. 2,121—**Mr. Forrestall:**

With respect to CAF pay raises, what are the three new trade categories and which ones have been deleted?

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): During 1971, a joint Treasury Board-/Department of National Defence evaluation team re-evaluated all military trades as part of a regular biennial review, and the results of the evaluation led to an appreciation that three pay fields were to be desired over the existing five. Therefore, effective 1 October, 1971, each of the 90 Canadian Forces Trades, formerly assigned to a pay field in a five pay field system, was reassigned to one of three pay fields in a three pay field system. In the former system the pay fields were known as Pay Fields Three to Seven inclusive, while in the current system the pay fields are known as Pay Field A, B and C. There has not been a cancellation of pay fields but rather a melding of five into three, i.e. the number of trades has not changed. In general, trades formerly assigned to Pay Fields 3 and 4 are now assigned to Pay Field A; trades formerly assigned to Pay Fields 5 and 6 are now assigned to Pay Field B. Pay Field C contains all trades formerly assigned to Pay Field 7 and one trade formerly assigned to Pay Field 6.

NATIONAL DEFENCE—RENTAL INCREASES FOR MARRIED OR SINGLE QUARTERS

Question No. 2,122—**Mr. Forrestall:**

Will there be rental increases before the end of 1972 for residents of CAF married or single quarters and, if so (a) at what locations (b) by what amounts?

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): Attention is directed to Hansard dated June 11, 1969, page 9987, and April 6, 1970, pages 5492-3. The next scheduled adjustment of charges for married quarters is April 1, 1972. The present Weighted National Average System of charges for married quarters is currently under study, to determine whether some revisions are required to the present system or whether an alternate system should be developed. Should a new system be introduced there could be adjustments to charges for April 1, 1972, but at this time it is not possible to quote dollar values. In so far as single quarters are concerned, there have been no revisions made since the new Canadian Armed Forces Pay System was introduced in 1966. The subject has been under review for some time and it is possible some increases will be effected during 1972.

NATIONAL DEFENCE—PAY AND ALLOWANCES, CRITERIA FOR RAISE

Question No. 2,123—**Mr. Forrestall:**

1. With respect to the 38 trades for which counterpart trades were identified in the Public Service, were any of these Public Service counterparts tied to the principle of area prevailing rates in determining new pay levels for the CAF?

2. With respect to the remaining 52 trades in the CAF for which there are no identifiable Public Service counterparts, was the principle of prevailing rates followed and, if not, what were the standards used to determine the new pay structures?

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): 1. The 38 counterpart occupations in the Public Service, which were used in the determination of the revised rates of pay in the CAF, included both those that are paid on a national rate (such as technicians) and those that are paid on a zone pay basis (such as trades in the General Labour and Trades Group). Where the counterpart Public Service trade was one paid at a zone rate, the military population in each applicable pay zone was used to calculate a national weighted average rate for that trade. These weighted average rates were then combined with the national rates of the other Public Service occupations to produce pay field rates of pay at the Corporal rank (Pay Level 5A). Pay rates for pay levels above and below Pay Level 5A were then established, using the Corporal (5A) as the benchmark, to achieve an appropriate series of pay differentials between the various ranks.

2. Prevailing rates were not considered for the remaining 52 trades, constituting 40 per cent of the military population at the Corporal level, as there are no Public

Service counterparts. An evaluation team made up of members from the Department of National Defence and Treasury Board, ranked all military trades using a point evaluation system based on skill and knowledge required for each trade. The pay rates determined from the matches that were made provided the salary range into which all 90 trades fell according to the point scores they received.

NATIONAL DEFENCE—PAY AND ALLOWANCES, CORPORAL TRADESMEN

Question No. 2,127—**Mr. Forrestall:**

With respect to the 1,100 Corporal-Tradesmen who have been "re-allocated to a lower pay category" and as a result "will receive little or no pay increase" (*a*) what are the seven trades (*b*) by environment, what is the percentage distribution (*c*) was the principle of area prevailing rates used to determine that these men were overpaid and, if so, is it government policy to apply the principle of prevailing rates to part or all of the CAF with respect to pay levels (*d*) on what date will their pay levels be reviewed (*e*) on what date were they last awarded a pay increase?

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): (a) and (b) Weaponman Surface, 100 per cent Sea; Weaponman Underwater, 100 per cent Sea; Firecontrolman, 99 per cent Sea, 1 per cent Air; Air Traffic Controller, .5 per cent Sea, 8 per cent Land, 91.5 per cent Air; Radioman (Sea), 100 per cent Sea; Radar Plotter (Sea), 98.8 per cent Sea, .8 per cent Land, .4 per cent Air; Sonarman (Sea), 100 per cent Sea.

(c) No, the principle of area prevailing rates was not used to determine that these men were overpaid. The pay categories or payfields for the seven trades along with the remaining 83 trades in the military were determined by an evaluation team, comprising members of the Department of National Defence and Treasury Board, who ranked all military trades on a point evaluation system based on the skill and knowledge requirements for each trade. The CAF Trade Specifications call for higher trade skills and knowledge for the above-noted trades at the ranks of Sergeant and above. Consequently, these tradesmen were assigned to a higher pay category (i.e. pay field). On the other hand, lower trade skills and knowledge are required for Corporal and below and, therefore, the tradesmen in question were assigned to a lower pay field.

(d) Pay categories (payfields) will be upgraded upon promotion to Sergeant (Pay level 6A) for the seven trades. However, Canadian Force Headquarters continually reviews trade specifications for all military trades to assess their validity according to current military requirements and a possible restructuring of certain trades could result.

(e) There were last awarded a general pay increase on October 1, 1970.

NATIONAL DEFENCE—NUMBER KILLED SINCE KOREAN WAR

Question No. 2,145—**Mr. Robinson:**

How many Canadian Forces personnel have been killed, wounded etc., since the Korean War and what were the causes of the casualties?

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence):

MORTALITY STATISTICS

Canadian Forces

January 1, 1954–November 20, 1971 Inclusive

Cause Groups	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971*	Total
Motor Accidents	81	83	85	76	75	85	77	97	78	77	62	78	65	63	65	42	72	59	1,320
Diseases	54	50	60	60	63	68	69	71	76	80	78	94	85	67	96	82	66	75	1,294
Aircraft Accidents	85	68	60	57	42	31	29	21	13	24	13	32	17	24	12	19	15	14	576
Other Accidents†	34	23	17	15	18	12	9	12	14	24	18	16	19	13	27	26	19	14	330
Self Inflicted	11	15	14	6	16	13	18	15	18	14	12	13	12	16	18	13	5	11	240
Drowning	20	24	10	21	13	18	16	11	11	8	7	11	10	1	5	4	13	8	211
Total	285	263	246	235	227	227	218	227	210	227	190	244	208	184	223	186	190	181	3,971

*Up to November 20, 1971.
†—Explosion aboard HMCS NIPIGON, 1965.
Parachute drop accidents Petawawa, 1968.
Explosion aboard HMCS KOOTENAY, 1969.
Accidents caused by firearms
Accidental Poisonings, etc.

MONTMAGNY, QUEBEC—PASCAL-TACHÉ MONUMENT

Question No. 2,167—**Mr. Lambert (Bellechasse):**

Has the federal government contributed to the building of the Pascal-Taché monument in Montmagny and, if so (a) what was the amount (b) what department or agency was involved?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Yes. (a) $22,962. (b) National and Historic Parks Branch,

*IMPLEMENTATION OF LAW TO TAX SCHOLARSHIPS AND BURSARIES

Question No. 2,196—**Mr. Woolliams:**

Is it still the government's intention to implement the law to tax scholarships and bursaries awarded to Canadian students attending universities and colleges in Canada and elsewhere?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): At present there is no law taxing scholarships and bursaries in Canada. Bill C-259, now under considera-

tion by the committee of the whole House, would require that the amount by which the aggregate of scholarships, fellowships and bursaries received by an individual in a year exceeds $500 must be included in his income.

QUESTION PASSED AS ORDER FOR RETURN

REGIONAL DEVELOPMENT INCENTIVES ACT—
DISTRIBUTION OF INDUSTRIES

Question No. 1,279—**Mr. McGrath:**

Since the inception of the Regional Development Incentives Act, what was the distribution of industries in accordance with the Standard Industrial Classification Manual within each province?

Return tabled.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

INDIA-PAKISTAN WAR—POSSIBLE CONSIDERATION BY UNITED NATIONS GENERAL ASSEMBLY—
COMMONWEALTH ACTION TO ACHIEVE CEASEFIRE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to ask the Secretary of State for External Affairs whether he has tentatively come to any conclusion as to how long the question of the fighting between India and Pakistan should be left with the Security Council to settle? Has the government of Canada taken any tentative position as to when the matter should be raised in the General Assembly of the United Nations?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think the Security Council should be seized of the matter as long as there is some hope that they can reach an agreed resolution. I am sure the hon. member will agree that would be the best possible outcome. Reference of the matter to the General Assembly is not likely to produce results that will help in settling the dispute.

Mr. Stanfield: Are the minister and his department conferring with other countries about the general question as to how long the matter should be left with the Security Council, in other words, how long the matter should be simply left in the hands of the great powers and other countries represented on the Security Council? Is the Secretary of State for External Affairs actively conferring on this point?

Mr. Sharp: Mr. Speaker, when I was in Washington on Friday this was one of the subjects I discussed with the Secretary of State of the United States. That was before the discussion had begun. He laid before me his view that what was important now was a ceasefire. As the hon. members know, so far his efforts to get agreement on that have been aborted. Many other efforts have been made. While I am pessimistic, as I think anyone must be, I for one have not yet reached the point where I would want the Security Council to throw in the sponge. I repeat that a discussion in the United Nations General Assembly is not the same as getting an agreed resolution from the Security Council. To have a general discussion in the United Nations, as we know from many previous occasions, is more likely to exacerbate than resolve the difficulties.

Mr. Stanfield: Has any effort been made within the Commonwealth to formulate a concerted approach to bring about pressure for a ceasefire?

Mr. Sharp: Before hostilities broke out, Mr. Speaker, several efforts were made by various members of the Commonwealth to offer their good offices but they were rejected. I do not think the prospects now are as good as they were then. In my view, efforts within the Commonwealth are likely to be met with very great difficulty. At the moment, I do not think either side is disposed to do anything but continue the hostilities that unfortunately have begun.

INDIA-PAKISTAN WAR—SUGGESTED MEETING OF REPRESENTATIVES WITH CANADIAN GOVERNMENT TO ACHIEVE SOLUTION

Right Hon. J. G. Diefenbaker (Prince Albert): My supplementary arises out of the last question asked by the Leader of the Opposition. In view of the fact that to all intents and purposes the Security Council appears to have become emasculated as a result of the division of opinion between the U.S.S.R. and Communist China, I ask the minister whether he will give consideration, because of Canada's peculiarly favourable position as a nation highly regarded in both India and Pakistan, to asking these nations to send representatives to Ottawa to meet here with representatives of the government of Canada? A similar course was taken in 1905 by the President of the United States, President Roosevelt, at the time of the Russo-Japanese war. Would the minister consider doing this, because certainly we have a large volume of good will in those countries and no one could suggest we have any interest there other than an interest in world peace?

• (2:30 p.m.)

Hon. Mitchell Sharp (Secretary of State for External Affairs): I thank the right hon. gentleman for his suggestion. I would point out to him that the Prime Minister of Canada has been in frequent consultation both with Mrs. Gandhi and with President Yahyah Khan; we have done our best to give counsel to both sides. I believe these overtures have been met with sympathetic understanding, but they have not produced the kind of results we would like to see. I do not think the kind of initiative suggested by the right hon. gentleman would be any more successful.

Mr. Diefenbaker: If this suggestion, or anything like it, has not been tried, would the hon. gentleman not think that every possible means should be exhausted in an effort to prevent what is now happening over there which can develop into the potential of a world war?

Mr. Sharp: I can assure the right hon. gentleman that we shall do everything that is reasonable—even, indeed, things which may appear to be unreasonable—if it appears that anything can be done to help bring these hostilities to an end. But I would be misleading the House if I were to suggest that initiatives by us along the lines

suggested by the right hon. gentleman had any chance of success, because I do not think so.

EAST PAKISTANI REFUGEES—AVAILABILITY OF RELIEF

Mr. Lorne Nystrom (Yorkton-Melville): Can the Secretary of State for External Affairs give the House any new information on the status of the relief organizations engaged in bringing relief into the area now that fighting has begun on a major scale?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Perhaps I might make one or two comments. In East Pakistan conditions are such that to all intents and purposes relief operations have ceased. I have received no reports of any new interruption in India itself, and we are hopeful that the refugees can continue to get the assistance which has been provided and which has been promised.

INDIA-PAKISTAN WAR—POSSIBLE RECOGNITION OF NEW STATE OF BANGLA DESH

Mr. R. N. Thompson (Red Deer): In view of the fact that India this morning declared its intention to officially recognize the new state of Bangla Desh, and in light of reports that both India and Russia are attempting to persuade friendly states to extend similar recognition, may I ask whether the government of Canada is considering its own position in this regard?

Hon. Mitchell Sharp (Secretary of State for External Affairs): We have not been formally requested to give recognition to Bangla Desh but in any event it is not our intention to do so.

INDIA-PAKISTAN WAR—CANADIAN CONTRIBUTION TO POSSIBLE PEACEKEEPING FORCE

Mr. Heath Macquarrie (Hillsborough): Is the government taking any steps to make ready a contribution toward a peacekeeping force should the services of such a force be sought in this very difficult situation?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The Canadian government would not, of course, refuse to contribute to a peacekeeping force. It is our hope that hostilities can be brought to an end, and I have no doubt that if they were an observer team of some kind would be needed. I can say on behalf of the Canadian government that in principle we would be prepared to participate.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Humber-St. George's-St. Barbe on a last supplementary. If it is not supplementary, the Chair will recognize the hon. member for York South.

* * *

LABOUR CONDITIONS

LAY-OFFS BY CONSOLIDATED BATHURST LIMITED—GOVERNMENT ACTION

Mr. David Lewis (York South): Mr. Speaker, I should like to ask a domestic question of the Minister of Regional Economic Expansion. Can the minister inform the House what his department has done in connection with the lay-offs at Consolidated Bathurst in Bathurst, New Brunswick, whether a team has gone there, whether any discussions have taken place and whether the lay-offs will be postponed or carried out as indicated?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, as soon as we heard the news, my colleague the Minister of Veterans Affairs contacted me. I spoke to the Premier of New Brunswick, Mr. Hatfield, who was supposed to go to Bathurst; I do not know whether he did.

As for me, I sent a high ranking official of my department, accompanied by a representative of the Department of Industry, Trade and Commerce, in order to see what can be done right now to assist the people who are being laid off.

[*English*]

Mr. Lewis: Can the minister inform the House when these officials went to Bathurst?

Mr. Marchand (Langelier): I think it was on Friday. I am not sure whether it was Thursday or Friday.

[*Translation*]

Mr. Lewis: Has the minister yet received a report from officials of his department?

Mr. Marchand (Langelier): Not yet, Mr. Speaker. As soon as I receive one, I shall be pleased to disclose its content to my hon. friend.

[*English*]

LAY-OFFS BY CONSOLIDATED BATHURST LIMITED—NOTIFICATION TO MANPOWER DEPARTMENT

Mr. David Lewis (York South): May I address a supplementary question to the Minister of Manpower and Immigration. Has the hon. gentleman's department been involved in these lay-offs at Bathurst, New Brunswick, when did the minister receive notice of such lay-offs, and does his department have any kind of general plan to encourage manufacturers and others to notify his department of proposed lay-offs ahead of the date upon which they are announced?

Hon. Otto E. Lang (Minister of Manpower and Immigration): In addition to the requirements about lay-offs under various laws which lead to our being informed, we encourage all manufacturers and business people to let us know as soon as possible about any potential lay-offs. In this particular case, officlals of the Department of Manpower and Immigration have been holding discussions with company and union representatives during the past year, and as a result of that preparation it is likely that a manpower incentive agreement may be entered into perhaps this week.

Inquiries of the Ministry

REGIONAL ECONOMIC EXPANSION

POSSIBLE MEETING BETWEEN MINISTER AND ATLANTIC PROVINCES PREMIERS

Mr. James A. McGrath (St. John's East): Bearing in mind the impending lay-offs at Consolidated Bathurst and other lay-offs in the Atlantic provinces, which are aggravating an already seriously spiralling unemployment situation, may I ask the Minister of Regional Economic Expansion whether he proposes to meet with the premiers of the four Atlantic provinces prior to his meeting with the members of the Atlantic Development Council in January?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): No date has yet been set with regard to this matter, Mr. Speaker.

Mr. Speaker: The Chair has recognized the hon. member for Abitibi.

[*English*]

Mr. Speaker: The hon. member for Abitibi. Order, please. Is the hon. member for St. John's East rising on a point of order?

Mr. McGrath: Yes, Mr. Speaker. I asked the minister whether he proposed to meet with the premiers of the four Atlantic provinces, bearing in mind the lay-offs at Bathurst and other impending lay-offs in the Atlantic provinces. I should like to know specifically whether the minister does intend to meet with the premiers before the end of the year.

Mr. Speaker: Order, please. That is not a point of order.

[*Later:*]

Mr. McGrath: Mr. Speaker, at page 10117 of *Hansard* of Thursday, December 2, the minister's parliamentary secretary on the adjournment motion in reply to my question indicated that the minister would be meeting with members of the Atlantic Development Council in January. My question at this time more specifically is, does the minister intend to meet with the premiers of the four Atlantic provinces in view of the serious escalating unemployment situation in that area?

* * *

[*Translation*]

MANPOWER

ON-THE-JOB TRAINING—AGREEMENTS RESPECTING AGRICULTURAL INSTRUCTION

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

The minister announced some time ago that $35 million had been earmarked for a consultation program with business leaders, labour unions representatives and provincial authorities in order to increase the assistance to manpower training. Can the minister tell us whether arrangements have been finalized and if this amount, in part or in whole, is available at this time to finance vocational training in agriculture?

[Mr. Lang.]

[*Later:*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I already met with the three Maritime premiers of a few months ago. We agreed on principle that it might be desirable that we meet from time to time—without, however, any date being set. But I certainly would not call a meeting with the four Atlantic premiers every time a plant closes down or lays off some of its employees.

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): The $35 million for the training program is really divided into two parts. Fifteen million dollars is supplementary to the regular training programs. Negotiations with the provinces for the placement of these funds, and of additional people in training, are well under way. The $20 million for on-the-job training has received a very good response from companies across the country and we are in a position almost immediately to begin entering into agreements with companies in connection with these on-the-job training programs.

• (2:40 p.m.)

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FAMILY INCOME SECURITY

FAMILY ALLOWANCES—NEGOTIATIONS WITH QUEBEC ON ADMINISTRATIVE ARRANGEMENTS—DATE OF PAYMENT OF INCREASES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Health and Welfare. In view of the fact the Premier of Quebec has indicated that his government and the government of Canada have settled administrative problems concerning family allowances, will the minister confirm this agreement and tell us when he will be making a statement to the House?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, discussions are still going on between officials of the federal government and the government of Quebec regarding the administrative arrangements, and no specific conclusions have been arrived at yet.

Mr. Marshall: Mr. Speaker, in view of the fact that so many hardships are being caused to the poverty-stricken, would the minister indicate if any action is being taken to update May 1, 1972 as the date for the increase in benefits under family allowances?

Mr. Munro: Mr. Speaker, it is quite clear now, with all the time that has been taken by the opposition on the tax bill, that it is very unlikely—

Some hon. Members: Oh, oh!

An hon. Member: We had closure. Didn't you hear about it?

Mr. Munro: —that we would have got to the family allowance legislation in any event at this session.

Mr. Marshall: Mr. Speaker, I would promise the Minister of National Health and Welfare that if he would proceed with Bill C-264 we would pass it in one or two days.

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THE CANADIAN ECONOMY

STEPS TO INCREASE BUSINESS INVESTMENT AND REDUCE UNEMPLOYMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Acting Prime Minister. As the latest report of the Economic Council of Canada states that business investment in Canada is now running about 12 per cent below what is necessary for the country to attain its economic objectives and to get unemployment down to a reasonable level, is the government taking steps to correct this situation and, if so, will the Acting Prime Minister mention what those steps are?

Mr. Speaker: Order, please. I suggest this is a very general question which normally ought to be answered by a general statement on motions. Perhaps the Acting Prime Minister can reply briefly, but I suggest to hon. members that we should try to keep questions short and have brief replies because I have a suspicion there are many aspiring questioners this afternoon.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, if I may attempt a brief reply, the government has been very gratified at the very great increase in business activity in recent months.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, obviously the Economic Council of Canada has not heard about these things which have been brought to the attention of the government. As I take it from the minister's answer that the government is taking steps, does the government have any reason to feel confident that these steps will reduce the present high level of unemployment to the 3.8 per cent level which the Economic Council considers to be economically acceptable?

Mr. Sharp: Mr. Speaker, I cannot answer as to unemployment. What we have noticed, and I hope the hon. member has too, is the very substantial increase in employment. There has been about as large and as rapid an increase in employment as we have ever seen and I hope it goes up still more.

Mr. Hees: Unemployment is rising.

Mr. Speaker: Order, please. The Chair recognizes the hon. member for Lisgar.

GRAIN

ABILITY OF TRANSPORTATION SYSTEM TO HANDLE MOVEMENT—TURNING DOWN OF SALES

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the minister responsible for the Wheat Board. In the past few weeks we have seen a fairly good movement of grain out of western Canada. I should like to ask him if the transportation system has now reached its uppermost physical limit in so far as the movement of grain is concerned?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I am glad to observe that the hon. member has noticed the record movement of grain. He is about a year late.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lang: It is somewhat a speculative matter to determine what the absolute maximum of our carrying and handling capacity is. The Wheat Board and various other officials with whom I have been in contact have put the figure between 750 million bushels and 800 million bushels. It now looks as though we may be selling into that range and of course having another record year this year.

Mr. Murta: Mr. Speaker, I should like to ask the minister responsible for the Wheat Board whether or not it is a fact that in the past few weeks at least there have been grain sales turned down by the Wheat Board because of the fact we have not got adequate transportation facilities to move the grain?

Mr. Lang: Well, the Wheat Board is still selling grain. It is true that in certain specific weeks or months they have sold to such an extent that they could not book for those particular times, but our buyers are usually able to adjust their purchases. It is of course true that, as our sales effort reaches the limit of 750 million bushels or 800 million bushels, we will be faced with the question of additional facilities and this government is facing up to the matter now.

Mr. Speaker: Order, please. Would hon. members kindly resume their seats. I notice there are four or five members seeking to ask supplementaries. I shall return to this subject in a moment, but as I suggested a moment ago we should make an effort to try to move on as quickly and as effectively as we can this afternoon. I recognize the importance of the matter just raised and will return to it in a moment. However, at this time the Chair will recognize the hon. member for Nanaimo-Cowichan-The Islands.

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ENERGY

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—INDICATION OF INTENTION TO PROCEED—NATURE OF DISCUSSIONS BETWEEN PRIME MINISTER AND PRESIDENT NIXON

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Acting Prime

Minister. Arising out of the statement by the United States Secretary of the Interior to the effect that a permit will probably be issued before the end of January to proceed with the trans-Alaska pipeline system, I want to ask the Acting Prime Minister if this was a subject of discussion with Secretary of State Rogers when he met him a few days ago and whether there is any indication that the United States government intends to reverse its decision in respect of the construction of the TAPS program?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I also noted the statement by the Secretary of the Interior. It is only partially quoted by the hon. member. However that may be, I did not have occasion to talk with Mr. Rogers about this subject.

Mr. Douglas: Mr. Speaker, on Friday in answer to a question from the hon. member for Calgary North the Prime Minister indicated that energy would be a subject for discussion with the President of the United States whom he is meeting with today. Can the Acting Prime Minister tell the House who asked that the subject be put on the agenda and whether or not the discussion on energy matters will deal with the TAPS program or whether it will deal with bringing gas from the Arctic down to the United States through Canadian territory?

• (2:50 p.m.)

Mr. Sharp: I think the House will have to await the return of the Prime Minister on both questions. I am not certain whether the subject arose on the initiative of the Canadian government or the United States government. Of course it has been a subject of discussion now for a considerable length of time. To hear what happened between the President and the Prime Minister we will have to wait until there is a report to the House.

NATURAL GAS—REQUEST FOR COMMISSION TO DETERMINE PROVEN RESERVES IN ARCTIC AND ELSEWHERE

Mr. Eldon M. Woolliams (Calgary North): This may be a related or a supplementary question, Mr. Speaker, and I direct it to the Acting Minister of Energy, Mines and Resources, the minister responsible for the Wheat Board, who has appeared before the committee. In the Standing Committee on Miscellaneous Estimates the chairman of the National Energy Board stated that the proven reserves of natural gas in the Arctic and elsewhere in Canada were not taken into consideration in determining the decision to turn down the four licences for export of natural gas. In view of that fact, would the minister now consider appointing a board or commission to determine the quantitative factor as to the proven reserves in the Arctic and in other places, which is so necessary to come to an equitable and economic decision?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): I should think that the course of conduct recommended by the hon. member is unnecessary. In his testimony before the committee the chairman of the National Energy Board made it clear that as soon as the gas reserves in any part of Canada are sufficiently established to be taken into account in their calculations of available supply, that will be done, and in those circumstances further consideration can be given by the National Energy Board to the adequacy of supply for ourselves. Therefore there was complete attention to the available gas supply in Canada by the Energy Board in the course of its most recent deliberations.

Mr. Woolliams: I have a further supplementary question, Mr. Speaker.

Mr. Speaker: The Chair will recognize the hon. member for Calgary North on a further supplementary question and then recognize the hon. member for Bellechasse.

Mr. Woolliams: Would the minister make certain that the information regarding proven reserves in the Arctic will be placed before the board, as the chairman of the board said that if they had additional evidence they would review the decision to turn down the export of natural gas from western Canada?

Mr. Lang: The full facts available were indeed before the board and, as the Chairman of the National Energy Board said before the committee, none of the parties arguing before the board thought it appropriate to attempt to establish northern reserves on the basis of the facts yet available.

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—ELIGIBILITY OF REPAIRS TO RETAINING WALLS ON ST. LAWRENCE RIVER

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to put a question to the Minister of Manpower and Immigration.

Could he tell us whether a project presented under the local initiatives program to repair heavily damaged retaining walls on the St. Lawrence river would meet the criteria established by the Department of Manpower and Immigration and would be considered acceptable?

Mr. Speaker: Order. I doubt very much that the question as put is in order. It seems to me that such a question should normally be placed on the Order Paper, but the minister could perhaps briefly answer it.

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): I cannot really comment on the specific proposal. Renovations and repairs, if carried out by an appropriate organization, certainly come within the general criteria, but I have to have more details to give a more specific answer.

Mr. Baldwin: How about renovating the cabinet?

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I should like to put a supplementary question.

I would not want to force the minister into making comments. I am merely asking whether a project of that type would meet the criteria adopted, and could be accepted?

[*English*]

Mr. Lang: I do not see anything in what the hon. member has said that would rule it out. Therefore I would encourage him to let me see a more concrete application.

* * *

GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENTS—REQUEST FOR REPORT ON INVESTIGATION—NATURE OF INQUIRIES

Hon. Robert L. Stanfield (Leader of the Opposition): My question is directed to the Acting Prime Minister. It is now several weeks since confidential cabinet documents were leaked or came into unauthorized hands. Is the Acting Prime Minister now able to say whether the government has completed its investigation into how this happened? Has the inquiry been completed and, if so, is the government going to make a statement as to what has been ascertained?

Hon. Mitchell Sharp (Acting Prime Minister): It is my understanding that inquiries are still continuing.

Mr. Stanfield: May I ask a supplementary question about this matter which I am sure is of great concern to the government but also of great concern to the Canadian people. Will the government make a statement to the House as to what measures have been taken with regard to the inquiry and also indicating when the House may expect a full statement on the results and on what has taken place, or does the government just hope that everyone will forget about the whole thing?

Mr. Sharp: If we wanted to forget about the whole thing we would not be continuing our inquiries.

Mr. Speaker: Order, please. Again I suggest to hon. members that we should move on. I will recognize the hon. member for Yukon and then the hon. member for Ontario.

Mr. Erik Nielsen (Yukon): My supplementary question is to the Acting Prime Minister. Can he inform the House whether the loss of the cabinet document with respect to the Gray report as well as the loss of the cabinet document which apparently escaped with respect to the Department of Indian Affairs and Northern Development are being investigated by the RCMP, or are these losses being investigated simply by departmental sources?

Mr. Sharp: The RCMP have not been brought in to conduct the investigation.

Some hon. Members: Oh, oh!

Mr. Hees: For a good reason, because you do not want to be found out.

Mr. Nielsen: Can the Acting Prime Minister inform the House whether the special security force of the Solicitor General is being used to conduct these investigations and, if not, how are the inquiries being conducted?

Mr. Sharp: They are being conducted in the customary way, that is, within each department.

Inquiries of the Ministry

MANPOWER

LOCAL INITIATIVES PROGRAM—POSSIBLE LOWERING OF MAN-MONTH REQUIREMENT

Mr. Norman A. Cafik (Ontario): I have a question for the Minister of Manpower and Immigration. In view of previous representations that have been made to him by myself, and I presume by others in respect of lowering the man-month requirement for local incentive programs so that this program may be more accessible to small municipalities, has the minister decided whether any change will be made in this requirement so that they too can be assisted by this excellent program?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I have been watching the flow of applications and now begin to believe that it may be possible to accept applications with a lower minimum. This matter is now being reviewed in a final way and the decision should be known very shortly.

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SECRETARY OF STATE

INQUIRY AS TO GRANT BY DEPARTMENT TO STUDY SURVIVAL IN CANADIAN WILDERNESS

Mr. W. B. Nesbitt (Oxford): I have a question for the Secretary of State. Has the Department of the Secretary of State given funds to a person or persons to undertake a study on survival in the Canadian wilderness? If so, can the Secretary of State say how much money is involved and why such a study should be undertaken by the Department of the Secretary of State?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I suggest respectfully to the hon. member that normally this question should be placed on the order paper. Perhaps the hon. member might like to rephrase the question.

Mr. Nesbitt: I will rephrase the question and direct it to the Acting Prime Minister. Perhaps he might be more aware. Is it the position of the government that the government's economic policies will force all of us to learn wilderness survival?

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EXTERNAL AFFAIRS

CANADIAN FOREIGN AID PROGRAM—SHIPMENT OF GOODS THROUGH CANADIAN BROKERS

Mr. Robert McCleave (Halifax-East Hants): My question is very pedestrian after the previous one. It is directed to the Secretary of State for External Affairs and arises from one I asked him some days ago. He was to look into the question of having Canadian instead of New York brokers handle our external aid shipments and also having foreign-going freighters under the Canadian flag and registry carry such shipments.

Inquiries of the Ministry

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am glad the hon. gentleman has finally asked the question. I have had the answer here for a number of days.

The policy of permitting Canadian funds to be used for ocean shipping is relatively new and to date has only been applied to a few countries. However, in so far as gifts or grants are concerned, the policy is to pass all work possible to Canadian brokers or Canadian forwarders. Further, where the schedules, rates and availability of Canadian-owned shipping companies permit, contracts are awarded to such shipping companies.

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• (3:00 p.m.)

CANADIAN BROADCASTING CORPORATION

TORONTO—POSSIBLE TENANCY IN NEW METRO CENTRE—CONSOLIDATION OF OPERATIONS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is directed to the Secretary of State. When will the Canadian Broadcasting Corporation be announcing whether or not it intends to become a prime tenant and user of the planned Metro Centre in Toronto?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, as usual, I shall ask the Corporation to supply the answer to the hon. member.

[*English*]

Mr. Ryan: Mr. Speaker, I wish to direct a supplementary question to the minister. Since the CBC English network operations are scattered all over Metro Toronto, is it the intention of the CBC to locate these in one place, that is, in Metro Centre, or in another location in Toronto?

Mr. Speaker: Order, please. I would think this kind of question should be placed on the order paper, but since it has been asked the minister might be allowed to reply briefly and quickly.

[*Translation*]

Mr. Pelletier: Mr. Speaker, I must say that I am aware of the works which are under way in Vancouver. As for the intentions of the CBC with regard to consolidation of its services in Toronto, I know that such a step is contemplated, but I would have to inquire from the CBC in order to be able to provide the hon. member with the details he has asked for.

* * *

[*English*]

PENSIONS

RAILWAY EMPLOYEES—REQUEST FOR INQUIRY

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question to the Minister of Labour has to do with a wire that I understand the hon. gentleman received in his office this morning requesting him to look into the problems of railway pensions. In the interests of labour-management and, incidentally, grain shipping stability is the

[Mr. McCleave.]

minister considering this request, and when does he expect that a full statement will be forthcoming on the inquiry requested?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I am not sure if I am the appropriate minister to answer a question on railway pensions. However, I do know it is in the best interests of the railway workers that this matter be handled through the recognized union leaders rather than through well-meaning groups active outside of the traditional lines of communication and negotiation through which negotiations are usually carried on by elected representatives of the railway workers.

* * *

GRAIN

ALLEGED STATEMENT BY MINISTER CONCERNING POSSIBLE DROP IN EXPORTS IN 1972-73

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the minister responsible for the Wheat Board. I would like to ask him whether, when he spoke to the pool delegates in Regina and made the statement that exports of wheat could drop to 500 million bushels in 1972-73 and, if this happened, it would have the effect of requiring an additional $200 million or $300 million in cash for payments to farmers under the agricultural stabilization program—

Mr. Speaker: Order, please. Would the hon. member kindly resume his seat? Perhaps the hon. member might like to rephrase the question. He knows that in relation to statements made outside the House questions have to be directed to the Prime Minister or Acting Prime Minister inquiring whether the statements represent government policy. Perhaps the hon. member might ask the question directly of the minister concerned.

Mr. Korchinski: Based on that statement, could I ask the minister whether that prediction was made on the basis of knowledge he has within his department or whether it was intended as coercion of the members of the wheat pool—

Mr. Speaker: Order, please.

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FISHERIES

LOBSTER FISHERMEN—REQUEST FOR CHANGE IN REGULATIONS TO CUT LOSSES FROM STORMS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of the fact that lobster catches since the beginning of the season have been about half those landed last year in Nova Scotia, due in part to serious storms which raged along the coast, would the minister give consideration to changing the present regulations so that licensed lobster fishermen may haul their traps on Sunday, if bad weather makes that necessary, in order to cut down on losses of their equipment?

Hon. Jack Davis (Minister of Fisheries): We will always give consideration to a reasonable recommendation, Mr. Speaker.

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CAPE BRETON DEVELOPMENT CORPORATION

REQUEST THAT CORPORATION COMPLY FULLY WITH RETIREMENT REGULATIONS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. In view of the fact that Devco last week announced its intention to comply partially with section 18(a)(2) of the act, would the minister issue instructions to the Devco authorities to comply not only partially with this section of the act but to carry out its provisions fully?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, what happened last week at Devco is that benefits to be paid out to the miners have been improved, but there has been no change in principle and Section 18A has not been misinterpreted.

[*English*]

Mr. MacInnis: I rise on a point of order—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps the hon. member might be allowed to indicate what his point of order is. I think there are only two minutes left before the end of the question period, so perhaps the hon. member might indicate as quickly as possible what the point of order is.

Mr. MacInnis: Mr. Speaker, my point of order arises out of the minister's statement that there has been no change in policy. My point is that there has been no policy and that the act, which made it mandatory on Devco authorities to carry out the law of this land, has not been put into force by the Devco authorities. In fact, this is why we are now rid of the three original administrators of that Crown corporation. I contend that the minister should impress upon the new administrators that the act which Parliament passed in 1967 should be fully carried out for the benefit of the miners who are suffering now and who are waiting for an opportunity to fight the government in court.

Mr. Speaker: The hon. member has made a debating point. I do not think I have to rule on whether or not it is a point of order. The Chair will recognize the hon. member for Winnipeg North Centre.

Mr. MacInnis: Mr. Speaker—

Mr. Speaker: Order, please. We will hear the hon. member on his further point of order and then I will have to call orders of the day.

Mr. MacInnis: My point of order on this occasion is only to get guidance from the Chair and to ask the Chair whether or not, when legislation passed by this Parliament in 1967 is not carried out by the responsible persons, it constitutes a point of order when the minister rises and says that there has been no change of policy?

Mr. Speaker: I would tend to reply in the negative. The hon. member for Winnipeg North Centre.

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LABOUR CONDITIONS

UNEMPLOYMENT—EARLIER RELEASE OF FIGURES BY STATISTICS CANADA—REQUEST THAT MINISTER OF FINANCE BE PRESENT TO ANSWER QUESTIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Acting Prime Minister or to the government House leader. In view of the fact that Statistics Canada has announced that it is going to issue its employment and unemployment figures a bit earlier than has been the practice, and in view of the fact that this announcement will be made tomorrow, could arrangements be made for the Minister of Finance to be here tomorrow to answer questions on this matter?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of Finance is with the Prime Minister in Washington. I believe that the whole party is expected to return before the question period tomorrow, and I am sure the Minister of Finance would want to be here if he can be.

Mr. Speaker: Order, please. Before the Chair calls orders of the day I believe the hon. member for Edmonton West has a point of order.

Mr. Lambert (Edmonton West): Mr. Speaker, I wish to revert to a point of order that has arisen in connection with Bill C-259. This bill has been fraught with difficulties from the very day of its inception. You may recall that when I first spoke on this bill on second reading there had to be prepared a curative motion because of the difficulty that arose in that Bill C-259 departed in major ways from the ways and means motion that had been adopted by the House.

What concerns me now is that we have some 150 or more amendments before the House, and there is a question as to whether any of them are valid. I would put this matter to Your Honour for consideration because I think it is very urgent. There is no question that the point of order is hypothetical or anticipatory because amendments have been adopted by the committee, and again I would put it to you that there may be a question as to their validity.

I am concerned primarily with the special order on the bill which was adopted by the House on September 28. You will recall that after some difficulty, after the motion had been made and Your Honour had given it a good deal of thought, you did make a ruling on it, because I had pointed out that Bill C-259 differed from the ways and means motion and therefore was not properly before the House. I further raised the question—even when the hurdles were overcome—since the ways and means motion was in the form of a bill whether a committee or any member thereof could amend or reject any provision of a

bill based upon the ways and means motion, since any such amendment or rejection would vary a question already decided upon by the House in June following on the adoption of the general budgetary resolutions. Those amendments would therefore be out of order.

• (3:10 p.m.)

May I refer to what Your Honour said at that time, and I quote:

If the House of Commons accepts this procedure and adopts as part of the ways and means resolution a draft bill, I do not see how any amendment can be adopted or suggested to the House at any time thereafter either by the government or the opposition, because the objection can be very well made at any time an amendment is made by the government, the opposition, a member of the opposition or any individual member of the House that this amendment is not in keeping or in accordance with the terms of the ways and means resolution. It will not be, of course, because it is different from the draft bill which has been submitted.

I think the House got itself into a bit of a bind and difficulty by following this procedure. I think it should be for the House to find a way out of it. For the moment, I suggest to hon. members that we proceed with the bill before us.

Then, Your Honour suggested that perhaps the House leaders should meet and find a solution. That excerpt is from *Hansard* of September 13, 1971. On September 28, at about five minutes to six, the Parliamentary Secretary to the President of the Privy Council put the following motion to the House:

That, notwithstanding the terms of the ways and means motion upon which Bill C-259 was introduced, this House deems that the said bill was properly introduced within the terms of Standing Order 60, provided that the form of the said ways and means motion shall not be accepted as a precedent in any future case;

That appears at page 8249 of *Hansard*. I have no quarrel with the first paragraph; the second paragraph is the one that is deficient. It reads as follows:

And that it shall be an instruction to the committee of the whole on the said bill that the admissibility of any proposed amendments thereto shall be governed by the bill as read a second time, and shall not be limited by the said ways and means motion although all other procedures relating to financial or tax measures shall apply.

I refer primarily to the mandatory nature of those two paragraphs. I point out to Your Honour that Nay's Parliamentary Practice, 17th edition, at page 536 contains the following statement:

Before the committee, to which a bill has been committed, commences its consideration of the bill, an instruction may be given to such committee, the purpose of which is either to empower the committee to do something which it could not otherwise do, or to define the course of action which it must follow. The first type of instruction is called permissive, the second mandatory.

Instructions may be given not only to a committee of the whole House, but to any other committee. An instruction to a committee of the whole House can only be moved in the permissive form.—

That is why I say that the word "shall" cannot appear in that particular motion made by the parliamentary secretary. The reason I am raising this particular point is that I think we can cure it but it must be posted in the same way Your Honour posted the flag on the procedure that was used in June with regard to the bill. This type of operation must not be repeated, and I am suggesting that what has been done on this occasion must not be repeated. In effect the instruction to the committee on Bill C-259 is that the committee must, with regard to the admissibility of amendments, follow the substance of the bill and ignore the ways and means resolution. There is no doubt that the instruction is mandatory and should be declared out of order.

Further, a second rule applying to instructions to a committee of the whole is that the instruction is invalid if its effect would be to widen the powers of the committee beyond the ways and means resolution which governs the bill. I refer again to May's 17th edition at page 541, where we consider instructions to the committee. I shall not quote the whole of subparagraph 5 which indicates that you cannot extend the powers of the committee. I do not want to go further on that particular point.

The third point to which I wish to direct Your Honour's attention is contained in Redlich, "The Procedure of the House of Commons", Volume II, at page 197. The instruction to the committee was not made an order of the day; it was merely a motion which stayed under "motions" and it is a fact the chairman of the committee did not incorporate into the record of the proceedings of the committee the direction from the House, even though the direction from the House may be deficient on other points. It was not done in the committee. All I am pointing out is what should be done properly. The motion of the parliamentary secretary should have been made an order of the day so that it would have been referred directly to the chairman and then he would have read it in committee.

I know this is a long, difficult point of order, and that it is perhaps a refinement, so to that extent I apologize to the House. But having raised the first point of order on second reading which clarified the procedures, Mr. Speaker, I thought that again it was incumbent to do it at this time. After all, the minister is going to come forward at some time with other changes in the Income Tax Act following the type of mini-budget of October 14, again for a first time practice, so I think it is incumbent that we have correct procedures and guidelines with regard to these new rules. Now is the time to straighten this out, although it appears to be rather nitpicking, so that in future we can be guided by what Your Honour has said on the previous point and, I would submit, on consideration of what I have raised this afternoon when Your Honour is ready to indicate again the guidelines for the future conduct of the House within the meaning of Standing Order 60.

Mr. Speaker: The point made by the hon. member for Edmonton West (Mr. Lambert) is most interesting. It follows the discussion which took place in the House some weeks ago when the hon. member had risen on a point of order. It is as a result of the ruling which had been made by the Chair at the time that discussion took place among the House leaders and it was agreed that there should be an order to try to correct the procedural difficulty which had been raised. The hon. member suggests now that perhaps we went further than we might have or could have gone, and suggests that perhaps we had no right to do what we did. I am not quite prepared at this moment to accept the suggestion. I would rather think that the House can, by its order, do practically anything in keeping with the kind of instruction the hon. member referred to, that is, the kind of instruction referred to in the citation of May's quoted by the hon. member is not the same kind of

instruction as that which is in the part of the special order of the House. However, I am not prepared at this time to make a ruling in general or a ruling in theory or in principle on the subject.

My understanding of the point made by the hon. member is that he feels we should not establish a precedent by which we should be guided at all times in the future. He is raising a point which he said himself is the red signal flag which indicates the danger of a practice which has been adopted in this instance. He may be quite right, and I shall closely read *Hansard* tomorrow, or perhaps later today for the statement made by the hon. member. I shall study it very closely and perhaps in due course I will be in a position to indicate to the hon. member what my conclusions are.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Friday, December 3, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon amendments to that act—Mr. Benson—Mr. Honey in the chair.

• (3:20 p.m.)

The Chairman: It is the understanding of the Chair that the committee will resume consideration of sections 135, 136 and 137 dealing with credit unions and co-operatives. An amendment was proposed by the Minister of National Revenue to section 135 and a subamendment by the hon. member for Regina East, as indicated on page 9682 of *Hansard* for November 18, 1971. Shall the subamendment moved in connection with section 135 carry?

Mr. Baldwin: Mr. Chairman, I rise on a point of order. Heretofore we have proceeded in a reasonably orderly discussion of the various subject matters listed under the various sections of the bill. On Friday, it is true, the government House leader said, in response to a question asked by the hon. member for Winnipeg North Centre, that we would proceed to consider the sections relating to co-operatives and credit unions. Referring to this matter I said on Friday, as recorded at page 10147 of *Hansard*, that I assumed, of course:

—that when this bill is first discussed in committee of the whole on Monday there will be a requests made, and if the amendment in respect of co-operatives is available and a request is made at that time, of course we will be prepared to consider it.

Other amendments may be proposed. Perhaps the government House leader or the parliamentary secretary will bring forward another amendment in this respect. Perhaps the government House leader will bring forward an amendment along lines he has previously indicated. His suggestion sounds reasonable in many respects. All the same, with all due respect to the Chair and to the government, I think we should follow the procedures we have adopted in the past. The amendments should be tabled at this time so that we, on this side of the committee, will have a reasonable period to consider them, say until tomorrow afternoon, which would not be too long. Perhaps they will be accceptable as they are or perhaps we will bring forward suggestions to improve them further. I do not know. I think, in all seriousness, that if the government proposes to follow the suggestion put forward on Friday and introduce these important amendments, those amendments ought at this time to be tabled and not moved, so that we might have a reasonable period in which to consider them. If we have finished considering them before tomorrow, I will indicate that in the committee.

I submit, however, that we should be given at least until tomorrow afternoon. It is important for us to see them, and for us to make suggestions, if necessary, as to how such amendments could be improved. I think this is very important. An exceptionally important meeting is going on in another part of the city. Many hon. members of this House are attending that. At that meeting decisions will be made which will influence the course of the next government of this country after the next election.

Mr. Jerome: Not very much.

Mr. Baldwin: Many hon. members of the House who are deeply concerned about these matters, and who made speeches as a result of which the government was persuaded to abandon its rather intransigent position and adopt some of the changes suggested with respect to the sections we are dealing with are not here at this time. Those hon. members should have a chance to be heard. Reasonable opportunity should be given for them to consider any amendments. If we reach any decision with respect to the amendments before tomorrow, I will advise the government House leader accordingly. I therefore suggest that there is no agreement for us to consider immediately, at this time, these particular sections.

I do not want to argue as to what the government's attitude is and as to whether they are entitled to adopt this or that procedure. I am merely saying that, barring agreements to the contrary, we must deal with the bill section by section and in the time allotted to us by virtue of the guillotine motion, deal with as many sections as possible until a quarter to six on Wednesday. We will be perfectly happy if the government tables the amendments in question so that we may know what they are. That practice was followed in the past. We will know by tomorrow, or perhaps before tomorrow, whether they are acceptable. In the meantime, I feel that we should proceed with the orderly discussion of the bill from the top, as it were, and work our way down.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, may I say at the outset I take no objection to the idea that the committee of the whole be given 24 hours to look at the amendments respecting co-operatives and credit unions which the government is now prepared to move. That would be reasonable, even if there were not another meeting in another part of the city to which reference has been made. I imagine that any amendments implementing the principles that the President of Privy Council referred to last week would be quite complicated. The proposition that members of the committee should have a chance to look at those amendments is entirely reasonable. That means we could discuss something else today and deal

with this matter tomorrow, despite the fact that we agreed on Friday that we would consider only these sections today.

Mr. Baldwin: There was no such agreement on our part.

Mr. Knowles (Winnipeg North Centre): I hope it is not nitpicking, to use a phrase my friend from Edmonton West used a while ago, when I suggest that there is no provision for tabling anything in committee of the whole. Tabling can only be done in the House. It is possible to put motions on *Hansard*, in committee of the whole, without moving them formally, but they cannot be tabled. Up to now, all amendments which have been proposed from the government side have not only been read, but have been permitted to be moved at that time—

Mr. Lambert (Edmonton West): No, no, surely that is not correct.

Mr. Knowles (Winnipeg North Centre): Oh, no; just a minute. What I said is correct. You could go back over *Hansard* and see places where amendments were read and moved—admittedly perhaps not at the moment they were read—but they were moved within a day or so, well in advance of the time when they were to be discussed. Any suggestion that the moving of these amendments should be held off indefinitely is hardly a suggestion one can accept at this time.

If the President of the Privy Council is going to introduce these amendments, and I think that he will be co-operative in this regard, I think he should be permitted to read them first. I hope the committee will give its consent for them to be moved. Let me say at once that I think the committee will have to give that consent, because there are other amendments before us at the moment. The Minister of National Revenue has moved an amendment to section 135, and the hon. member for Regina East has moved a subamendment. After we have heard what it is that the President of the Privy Council proposes to move in place of those amendments, the chances are that we will be willing to have those amendments withdrawn. Really, I am trying to say two things: one, yes, it is appropriate for the decision on this to be left until tomorrow and, two, I think we should get the material on the record and go as far as we can at this point. so that we know what we are doing. If we are satisfied about the new amendments, I hope the committee will consent today to the withdrawal of the old ones so that we will be in a position to act on the new amendments tomorrow in accordance with the will of the committee.

Mr. Baldwin: Mr. Chairman, may I raise a point of order before my friend for Edmonton West pursues this matter. Of course, I agree with my friend for Winnipeg North Centre that the amendments cannot be tabled in committee of the whole. I was using the same expression used by the Minister of Finance, and it is always a mistake to follow his wording. An interval has elapsed, of course, between when amendments were put on *Hansard* and when they were moved.

With respect, there was no agreement whatsoever so far as this party was concerned and so far as I was concerned on Friday. We did not agree to the calling of the sections dealing with co-operatives. I think I suggested that we would wait until the amendments were introduced. I think we should look at these amendments, after which we could proceed from that point. I will now defer to my friend from Edmonton West. I wanted to make my position abundantly clear.

[Mr. Knowles (Winnipeg North Centre).]

• (3:30 p.m.)

Mr. Lambert (Edmonton West): Without wanting to quibble about this particular point, Mr. Chairman, I was surprised there was consent that section 135 be brought on today. That was not my information. There were other clauses outstanding which the government indicated it wished to defer. On Thursday, the Parliamentary Secretary to the President of the Privy Council asked whether I would agree to defer consideration of the so-called administrative clauses because the answers from the Department of Justice were not yet ready. This is the point. It was a case of not considering certain points because the answers were not forthcoming. Further, the department had not made up its mind with regard to an amendment I put forward.

I find it difficult to understand why anyone would consider moving an amendment today which may or may not be admissible because there are before the committee an amendment and a subamendment, both duly moved. I do not know the intentions of the government or how the amendments that may be proposed will be carried out. There is no clearly enunciated indication of what the amendments may cover.

The amendment to subsection (3) covers half a page. The deletion which the subamendment of the hon. member for Regina East would effect covers at least a page and a half of text, three subitems. If they are still before the committee, it is not possible for any minister of the Crown to make another motion proposing some different type of amendment. I think the answer is if the government, merely for purposes of information, will read into the record the nature of the amendments they propose, we could then compare them with the amendments of the hon. member for Regina East. I think they have the same general thrust. At least, that is what I am led to believe. Tomorrow, Wednesday or whatever time may be chosen, we could then make up our mind, agree to them and someone could move them. We should not prejudge the issue. I do not think the hon. member for Regina East would be prepared to withdraw his subamendment. I certainly would not consent to it. The committee is now seized with the subamendment. It requires unanimous consent to withdraw. I do not think that would be possible.

There is only one way to proceed, namely that we accept the reading into the record the amendment that might be proposed to that section by the government. We would defer consideration to a later time and revert to the ordinary course of considering the bill without the gentleman's agreement that we had before.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Chairman, I believe we are a little concerned about sections 135, 136 and 137, which have already been dealt with and to which definite amendments have been proposed.

However, on Thursday when bringing forward the motion for closure, the government announced its intention to present further amendments to these sections and if I understood correctly what was said at the time those amendments would tend to abolish the tax on capital utilized.

At any rate, in order to permit a thorough study of these sections, as well as of amendments and proposed amendments to be brought forward, I believe that within the rules of procedure a method should be found whereby hon. members could take cognizance of these future amendments as early as possible. As the previous speaker said, they might very well contain major changes to previous amendments. That would greatly facilitate the discussion and perhaps allow to proceed more rapidly.

I therefore agree with the remarks that have been made in that regard and I think that we should know the contents of the amendments as soon as possible. Otherwise, it would be better to deal with another subject, which could only help the proceedings of the House.

[*English*]

Mr. Burton: Mr. Chairman, my colleague, the hon. member for Winnipeg North Centre, has suggested a sensible and acceptable course of action in dealing with the new government proposal which the government wishes to place before the committee. As I understand the proposals referred to previously by the President of the Privy Council, they will in fact carry out and put into effect the principle of the subamendment which I proposed in an earlier sitting of the committee, namely to do away with the capital employed concept as it applied to co-operatives and credit unions in the bill now before us. No doubt there will be other consequential amendments that will accompany it. Also, there will be some provision for the alternative which the government is proposing.

On that basis, and on the basis of carrying out its stated intentions of doing away with the capital employed concept and coming up with an acceptable alternative at an appropriate time, I am prepared to ask the committee for leave to withdraw the amendment which I proposed.

Mr. MacEachen: Mr. Chairman, I realize quite well that in order for the government to propose amendments, when the sections are called it will be necessary to have the consent of the committee in order to withdraw the amendment of the hon. member for Regina East and also the amendments that have been previously moved by the government. That is acceptable.

Mr. Lewis: Or vote them down.

Mr. MacEachen: As the leader of the New Democratic Party says, if there is no readiness to give unanimous consent to withdraw these amendments, it is open to the committee to defeat them and make possible the submission of new amendments. I am also aware of the fact that in order to move the amendments, the Chair must put the committee in a position to deal with a number of sections; section 135, section 137 and later clauses 57 and 58.

It is quite possible that, within the circumstances of the present situation, procedural difficulty could frustrate totally the moving and the carrying of these amendments. In wishing to make these amendments, it is obvious that the government is really in the hands of the committee. If it wishes, the committee can prevent these amendments from being put now or at a later date. I am quite clear on that in my own mind.

What I suggest, and I think this is in accord with suggestions that have been made, particularly by the hon. member for Edmonton West, is that we might call one of these subsections. I could give a statement of the nature of the amendment and attempt to outline as clearly as possible the nature of the amendment. This will allow the committee to consider the content and allow me to move the amendment tomorrow. That is the proposal I have at the moment. For procedural reasons, I am reluctant to table these amendments now in the absence of an opportunity to move them. I believe, however, that what I would say in a statement would provide the committee with more information than it would get if members started looking at the actual wording of the amendments, which are complicated.

• (3:40 p.m.)

Mr. Lambert (Edmonton West): We are on clause 1. Go ahead.

Mr. Baldwin: There is no desire on our part to frustrate the minister. What he has announced is reasonable and logical. If he were to make one of his interesting speeches he could certainly outline, as part of it, the type of amendments he proposes to introduce. I do not think we have any objection on that score. I hear some voices in the wilderness over there. I hope those hon. members will take part in the debate and cease to operate their self-imposed closure. If the minister would agree to make such a statement we would have an idea of what the amendments contain and, certainly no later than tomorrow, he would be able to proceed along the lines he has indicated. In the meantime, we have a fair amount of the bill to digest.

Mr. MacEachen: What I shall do is this. I shall outline as clearly as I can the content of the amendments and then, after that, if we think something else is necessary, we can decide what course to take.

Last week I announced that the government would introduce relieving amendments for co-operatives, credit unions and caisses populaires. I would now like to explain the nature of these amendments in more detail. I shall deal first with co-operatives.

Under the present act, the patronage dividends of a co-operative could not reduce its income below 3 per cent of capital employed. With the introduction of Bill C-259 an attempt was made to re-examine the appropriate tax treatment of co-operatives. Bill C-259, and the several amendments to C-259 which the government has previously moved, reflect a new percentage limit, a new definition of capital employed and other transitional and long term rules designed to establish an appropriate level of taxation for co-operatives.

During this period, the government has continued to communicate with the co-operative movement. Representatives of that industry and many members on both sides of this House have argued persuasively that the "capital employed" concept is inappropriate in the case of the

co-operatives and that, with the introduction of general tax reform, a new and better system should be developed. Rather than modifying the old system—a system which was inappropriate to start with—the government was urged to seek a new and more appropriate method which would recognize that a co-operative is a group of people who have organized to help themselves.

The government has decided to abandon the notion of "capital employed" and henceforth co-operatives will no longer be taxed on income from business with members which is distributed to members in the form of patronage dividends.

Some hon. Members: Hear, hear!

Mr. MacEachen: Therefore, the limit on deductibility of patronage dividends will be removed. In its place, the government proposes that there be a withholding tax at the rate of 15 per cent on patronage dividends in excess of $100 paid to a member in any year. The withholding tax would, of course, be refundable to the extent it exceeded a taxpayer's tax liability.

This new approach will have the following results. Recipients of patronage dividends will be treated as before: if the patronage dividend relates to the recipient's business it will be included in his income for tax purposes. In other circumstances, it will not be taxed. The withholding of tax by the co-operative will permit the government to administer the system efficiently and yet obtain the appropriate result depending on the character of the patronage dividend in the hands of the recipient. This change will provide substantial relief to co-operatives concerned about their treatment under the new Act.

I should like now to deal with Credit Unions and Caisses Populaires. The main concern expressed by credit unions and caisses populaires involves the reserves they must set aside under provincial statutes. It has been pointed out that these mandatory reserves exceed the reserves allowed against income for tax purposes, and that they are unlike the ordinary surplus of a corporation in that they cannot be distributed to members. Credit unions and caisses populaires argued that they could not obtain the same enjoyment of the small business deductions as other corporations which were not subject to provincial regulations. As a result, small credit unions and caisses populaires felt subject to the high rate of corporate tax prematurely.

In response to this argument, the government will introduce an amendment the effect of which will be to tax the income of a credit union or caisse populaire at the rate of 25 per cent as long as the reserves in excess of those allowed against income do not exceed 5 per cent of deposits and share capital. This will be accomplised by an adjustment of the small business deduction. As I understand it from my discussions, this amendment will provide the last remaining goal sought by the credit union movement.

This special right to use an effective corporate tax rate of 25 per cent might not in itself be sufficient for small credit unions or caisses populaires which would need a reserve in excess of 5 per cent of financial stability. Accordingly, the small business deduction available to other corporations will continue to apply so that a credit union or caisse populaire can build up $300,000 of reserves out of income taxed at 25 per cent whether or not such reserves exceed 5 per cent of deposits and share capital.

The right to build up 5 per cent reserves will, of course, only apply to increases in those reserves after 1971. Transitionally, the credit union or caisse populaire will be considered to have reserves equal to the lesser of the maximum 5 per cent of deposits and share capital or the actual reserves measured by taking assets at their value for tax purposes. Thus, if the actual opening reserves are less than 5 per cent they may be built up to 5 per cent out of income taxed at 25 per cent in the future. If the actual opening reserves are greater than 5 per cent, the fact that such extra reserves have been accumulated in the past will not affect the right of the credit union to use a 25 per cent rate in the future. The government believes that in this way credit unions and caisses populaires will be able to obtain the appropriate entitlement to the small business deduction and thereby enjoy the benefit of a 25 per cent rate of tax on an appropriate amount of income.

Finally, as a consequence of abandoning the notion of capital employed for co-operatives, the government does not believe it to be appropriate to retain this concept for credit unions and caisses populaires. Therefore, the government proposes that the limit on interest rebates related to capital employed be deleted. This is something they did not ask for. They are getting it as a throw-away.

Some hon. Members: Hear, hear!

Mr. MacEachen: I believe the statement I have made reflects accurately the proposals which have been transformed into the series of amendments which I hope to move. Frankly, I have no objection to making these amendments available, although I would prefer to do so when I have an opportunity to move them. In any case, it would be the intent of the amendments to carry into law the proposals contained in this statement. If hon. members can show in the committee that indeed the amendments do not have that effect, we would be happy to make sure they do.

• (3:50 p.m.)

Mr. Baldwin: Mr. Chairman, I have listened to the minister, and what he states seems to be an acceptable program so far as we are concerned. In the light of what he has said, I would have no objection to the amendments being formally moved at this time, provided of course, that the hon. member for Regina East, as a condition precedent, would withdraw his amendment. I assume he will do so. The hon. member for Edmonton West and the rest of us will probably agree to that. I think, however, it should be understood that we would have an opportunity to examine the amendments, discuss them, and that debate would be postponed. It may well be that it would be postponed until tomorrow or earlier, but I shall keep in touch with my colleagues, the House leaders. We might finish this section much sooner than was originally contemplated. In light of what the minister has said, I would hope that these amendments would now be formally moved and that we would move on to some other subject matter contained in this bill for the rest of the afternoon.

On Clause 1—Section 135: *Deduction in computing Income*

Mr. Burton: Mr. Chairman, in light of the statement made by the President of the Privy Council, I would ask leave of the committee to withdraw the subamendment to the amendment which I moved on November 18.

Some hon. Members: Hear, hear!

The Chairman: Does the committee grant leave to the hon. member for Regina East as requested?

Some hon. Members: Agreed.

The Chairman: So ordered.

Amendment (Mr. Burton) withdrawn.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I presume that someone over there has authority to ask for the withdrawal of the amendment moved by the Minister of National Revenue. We shall consent to that withdrawal as well.

Mr. MacEachen: Mr. Chairman, I was rising to ask the consent of the committee to withdraw, as the hon. member for Regina East has, the amendment moved on October 22, I believe, to this particular section by the Minister of National Revenue.

I wish to thank the hon. member for Peace River and the hon. member for Winnipeg North Centre for making it possible for us to get along with the work and to move these amendments today, with the understanding that the discussion can be withheld until a later time or a later hour.

While I have the attention of all hon. members, I should mention there is one other amendment that is not related to the co-operatives and credit unions which I should like to move under the same privilege. The amendment is to section 172 and relates to the right of appeal of an applicant who is deemed to have been refused registration as a charity and so on. I would move that after I have moved the credit union and co-operatives amendments, and on the same basis, if the committee is agreeable.

Some hon. Members: Agreed.

The Chairman: The committee has heard the President of the Privy Council. So that the committee knows what it is dealing with, the amendment referred to by the minister was moved by the Minister of National Revenue on October 22, 1971 and appears at page 8953 of *Hansard*. It states, "that section 135, as set forth in clause 1", and so on. Is it the wish of the committee that the minister shall have consent to withdraw the amendment.

Some hon. Members: Agreed.

Amendment (Mr. Gray) withdrawn.

Mr. MacEachen: Mr. Chairman, I move:

Income Tax Act

That section 135 as set forth in clause 1 of the said Bill be amended

(*a*) by striking out lines 32 to 44 on page 355 and lines 1 to 4 on page 356 and substituting the following:

'Amount to be deducted or withheld from payment to customer

(3) Where at any particular time in a calendar year and after 1971 a payment pursuant to an allocation in proportion to patronage is made by a taxpayer to a person resident in Canada, the taxpayer shall, notwithstanding any agreement or any law to the contrary, deduct or withhold therefrom an amount equal to 15% of the lesser of the amount of the payment and the amount, if any, by which

(*a*) the aggregate of the amount of the payment and the amounts of all other payments pursuant to allocations in proportion to patronage made by the taxpayer to that person in the calendar year and before the particular time

exceeds

(*b*) $100,

and forthwith remit that amount to the Receiver General of Canada on behalf of that person on account of that person's tax under this Part.'

(*b*) by striking out lines 20 to 47 on page 357 and lines 1 to 23 on page 358 and by relettering paragraphs (*g*) and (*h*) on page 358 as paragraphs (*f*) and (*g*), respectively.

(*c*) by striking out lines 33 to 48 on page 359 and lines 1 to 9 on page 360 and substituting the following:

'Amount of payment to customer

(6) For greater certainty the amount of any payment pursuant to an allocation in proportion to patronage is the amount thereof determined before deducting any amount required by subsection (3) to be deducted or withheld from that payment.

Payment to Customer to be included in income

(7) Where a payment pursuant to an allocation in proportion to patronage (other than an allocation in resect of consumer goods or services) has been received by a taxpayer, the amount of the payment shall be included in computing the recipient's income for the taxation year in which the payment was received and, without restricting the generality of the foregoing, where a certificate of indebtedness or a share was issued to a person pursuant to an allocation in proportion to patronage, the amount of the payment by virtue of the issue thereof shall be included in computing the recipient's income for the taxation year in which the certificate or share was received and not in computing his income for the year in which the indebtedness was subsequently discharged or the share was redeemed.'

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, this amendment is lengthy and perhaps there is another one which is equally lengthy. I wonder if the minister could be given the consent of the committee to place the whole text of these amendments in *Hansard* as if they had been read.

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Chairman, I thank the members of the committee, through you, for allowing me to present these amendments.

The Chairman: Order, please. I do not want to interrupt the minister, but perhaps we should deal with this matter. Is it agreed that the amendments be printed in *Hansard* as read?

Some hon. Members: Agreed.

On Clause 1—Section 137: *Deductions in computing Income.*

Mr. MacEachen: Mr. Chairman, I should like now to move an amendment to section 137. However, there were, I understand, amendments moved on October 22 and October 29, 1971 which I should like to have withdrawn with the consent of the committee.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, may I ask if it would be possible to get the French version of the amendments?

Mr. Lambert (Edmonton West): You have it.

Mr. Lambert (Bellechasse): No, I do not.

[*English*]

Mr. Mahoney: Mr. Chairman, I think if the hon. member will look a little deeper into the pile of papers delivered to him, he will find that everything he has in English he also has in French.

The Chairman: Order, please. The President of the Privy Council has asked leave to withdraw two amendments to section 137. I should identify them for the purpose of the record. The first was moved on October 22, 1971 by the Minister of National Revenue and appears at pages 8953 and 8954 of *Hansard*. It is an amendment that section 137 as set forth in the bill be amended. Is it the wish of the committee to give consent to the minister to withdraw the amendment?

Some hon. Members: Agreed.

Amendment (Mr. Gray) withdrawn.

The Chairman: The second amendment was moved by the Minister of National Defence on October 28, 1971 and is recorded in *Votes and Proceedings* for that day at page 2. The amendment asks that section 137 be further amended. Is it the wish of the committee to grant leave to the President of the Privy Council to withdraw the amendment.

Some hon. Members: Agreed.

Amendment (Mr. Gray) withdrawn.

• (4:00 p.m.)

Mr. MacEachen: I move:

[Mr. Knowles (Winnipeg North Centre).]

That section 137 as set forth in clause 1 of the said Bill be amended

(*a*) by striking out the heading immediately preceding section 137 on page 361, and substituting the following:

'*Credit Unions and Savings and Credit Unions*'

(*b*) by striking out lines 1 and 2 on page 361 and substituting the following:

'Deductions in computing income

137. (1) In computing the income for a taxation year of a credit union or a savings and credit union (in this Act referred to as a "credit union")'.

(*c*) by striking out lines 35 to 42 on page 361 and lines 1 to 29 on page 362 and substituting the following:

'Additional deduction

(3) There may be deducted from the tax otherwise payable under this Part for a taxation year by a corporation that was, throughout the year, a credit union, an amount equal to 25% of the lesser of

(*a*) the amount, if any, by which

(i) the corporation's taxable income for the year

exceeds

(ii) the least of the amounts determined under paragraphs 125(1)(*a*) to (*d*) in respect of the corporation for the year, and

(*b*) the amount, if any, by which

(i) 4/3 of the corporation's maximum cumulative reserve at the end of the year

exceeds

(ii) the aggregate of the corporation's preferred-rate amount (within the meaning assigned by paragraph 189(4)(*c*)) at the end of the immediately preceding taxation year and the amount determined under subparagraph (*a*)(ii),

except that in applying this subsection for a taxation year after the 1972 taxation year, the reference in this subsection to "25%" shall be read as a reference to "24%" for the 1973 taxation year, 23% for the 1974 taxation year, "22%" for the 1975 taxation year, and "21%" for the 1976 and subsequent taxation years.

Amount deemed deductible under s. 125

(4) For the purposes of this Act, any amount deductible or any deduction under subsection (3) from the tax otherwise payable by a credit union under this Part for a taxation year shall be deemed to be an amount deductible or a deduction, as the case may be, under section 125 from that tax.

Amount paid in respect of members' share deemed paid as interest

(4.1) For the purposes of this Act, any annual or other periodic amount paid or payable by a credit union to a member thereof in respect of his share in the credit union, other than any such amount paid or payable as or on account of capital, shall be deemed to have been paid or payable, as the case may be, by the credit union as interest and, when received by the member, to have been received by him as interest.

Member's income

(5) Where a payment has been received by a taxpayer from a credit union in a taxation year in respect of an allocation in proportion to borrowing, the amount thereof shall, if the money so borrowed was used by the taxpayer for the purpose of earning income from a business or property (otherwise than to acquire property the income from which would be exempt or to acquire a life insurance policy), be included in computing the taxpayer's income for the year.'

(*d*) by striking out lines 32 to 34 on page 362 and substituting the following:

'for a taxation year means an amount credited by a credit union to a person who was a member of the credit union in the year on terms that the'

(*e*) by striking out lines 8 to 45 on page 363 and lines 1 to 38 on page 364 and substituting the following:

' "Credit union" (*b*) "credit union" means a corporation, association or federation incorporated or organized as a credit union or cooperative credit society if

(i) it derived its revenues primarily from

(A) loans made to, or cashing cheques for, members,

(B) bonds of, or guaranteed by, the Government of Canada or a province, or a Canadian municipality, or bonds of a municipal or public body performing a function of government in Canada,

(C) bonds of a corporation, commission or association not less than 90% of the shares or capital of which was owned by the Government of Canada or a province or by a municipality in Canada, or

(D) loans made to a cooperative credit society of which it is a member, or

(ii) the members thereof were corporation or associations

(A) incorporated or organized as credit unions, substantially all of which derived their revenues primarily from loans made to members or from bonds of, or guaranteed by, the Government of Canada or of a province,

(B) incorporated, organized or registered under, or governed by a law of Canada or a province with respect to cooperatives, or

(C) incorporated or organized for charitable purposes,

or were corporations or associations no part of the income of which was payable to, or otherwise available for the personal benefit of, any shareholder or member thereof;

"Maximum cumulative reserve" (*c*) "maximum cumulative reserve" of a credit union at the end of any particular taxation year means an amount equal to 5% of the aggregate of amounts each of which is

(i) the amount of any debt owing by the credit union to a member thereof or of any other obligation of the credit union to pay an amount to a member thereof, that was outstanding at the end of the year, including, for greater certainty, the amount of any deposit standing to the credit of a member of the credit union in the records of the credit union, but excluding, for greater certainty, any share in the credit union of any member thereof, or

(ii) the amount, as of the end of the year, of any share in the credit union of any member thereof; and

"Member" (*d*) "member" of a credit union means a person who is entitled as a member or shareholder to full voting rights in the conduct of the affairs of the credit union.'

Mr. Burton: May I ask the President of the Privy Council a question before he proceeds to the next stage? Do I understand from what he has said that the amendment to section 136 which was moved on October 22 is still allowed to stand?

Mr. MacEachen: I am not proposing any change to section 136 at the moment.

The next amendment which is related to this batch of amendments is to clause 57 on page 685. Do I have the consent of the committee to have clause 57 called to make this amendment?

The Chairman: Shall section 135 stand?

Mr. Lambert (Edmonton West): Mr. Chairman, if we consider clause 57 at this point, we would be jumping with seven league boots. It must be remembered we would be moving from clause 1 to clause 57 of the bill. This has not happened before. Up to this point the movement has been within clause 1. What the minister is now proposing is either a transitional or a consequential amendment, but this is an entirely separate clause and it is a departure from the practice of the past to read amendments to that they would be before the committee and they could be acted on before the guillotine falls. I hope that the same reciprocity will be given by government members to any member of the opposition who might wish to move an amendment some distance down the road so that it could be dealt with before the guillotine falls, otherwise we will be operating on a one way street. I hope that the principle of two way streets is recognized.

Mr. Knowles (Winnipeg North Centre): The hon. member for Edmonton West is quite correct in pointing out that what the President of the Privy Council is now seeking to do is to propose amendments to clauses way beyond clause 1, namely clauses 57 and 58. However, since those amendments—and we have now seen copies of them—are related to, and consequential upon, the amendments to sections 135 and 137 of clause 1, I hope that the committee will give that consent. At the same time, I support the suggestion of the hon. member for Edmonton West that if consent is given from this side for amendments to be introduced at this stage to other clauses of the bill, the same kind of consent will be given by the other side to the introduction of amendments. Perhaps we could have a House leader's meeting to get this sorted out.

Mr. Lambert (Edmonton West): There is one further point. Before the minister can move such an amendment, if we consult an up to date copy of the bill we will see that it contains an amendment which has already been put forward to the clause and which should now be withdrawn.

Mr. MacEachen: I quite agree with the hon. member for Edmonton West. There is an amendment that was moved to clause 57 which should be withdrawn, and I would like to have the consent of the committee to withdraw the amendment.

The Chairman: Before I put the question I will have to ask the consent of the committee to standing section 135.

Some hon. Members: Agreed.

Income Tax Act

On Clause 57: *Specified personal corporations.*

The Chairman: The committee has heard the request of the President of the Privy Council for leave to withdraw the amendment now standing to clause 57 in the name of the hon. member for Rosedale moved on October 29, 1971. Shall the minister have consent to withdraw the amendment?

Some hon. Members: Agreed.

Amendment (Mr. Macdonald, Rosedale) withdrawn.

Mr. MacEachen: I move:

That the said Bill be amended by adding, immediately after clause 57 on page 689, the following clause:

'Co-operative corporations

57.1 (1) Where a co-operative corporation (within the meaning assigned by section 136 of the amended Act) has a taxation year part of which is before and part of which is after the commencement of 1972, the tax payable by it under Part I of the amended Act for the year shall be determined by the following rules:

(*a*) determine the tax under Part I of the amended Act that, but for this subsection, would be payable by it for its 1972 taxation year on its amount taxable for its 1972 taxation year;

(*b*) determine that proportion of the amount determined under paragraph (*a*) that the number of days in that portion of its 1972 taxation year that is in 1972 is of the number of days in the whole taxation year;

(*c*) determine the aggregate of the taxes that, but for this subsection, would be payable by the corporation for its 1972 taxation year

(i) under Part I of the former Act, and

(ii) under subsection 24(5) of the *Old Age Security Act* as it read before being amended by section 3

on the assumptions that

(iii) its amount taxable for its 1972 year were computed as if

(A) subsections 75(3) and (5a) and paragraph (75(4)(*b*) of the former Act were applicable, and

(B) the references in subsection 75(3) and paragraph 75(4)(*b*) of the former Act to section 27 of that Act and to paragraph (*k*) of subsection (1) of section 62 of that Act were references to section 111 and to paragraph 137(6)(*b*), respectively, of the amended Act, and

(iv) Division E of Part I of the former Act and subsections 24(5) and (6) of the *Old Age Security Act* as it read before being amended by section 3 were applicable to its 1972 taxation year;

(*d*) determine that proportion of the aggregate determined under paragraph (c) that the number of days in that portion of its 1972 taxation vear that is in 1971 is of the number of days in the whole taxation year;

(*e*) determine the aggregate of the amounts determined under paragraphs (*b*) and (*d*) in respect of the corporation;

and the aggregate determined under paragraph (*e*) is the tax under Part I of the amended Act payable by the corporation for its 1972 taxation year.

Ss. 51(1) not applicable

(2) Subsection 51(1) does not apply for the purpose of determining the tax payable by co-operative corporation (within the meaning assigned by section 136 of the amended Act) for its 1972 taxation year.

"Amount taxable" defined

(3) In this section, "amount taxable" of a corporation for its 1972 taxation year has, subject to subsection 51(2), the meaning assigned by Division E of Part I of the amended Act.'

The Chairman: Shall clause 57 stand?

Some hon. Members: Agreed.

On clause 58: *Credit Unions.*

Mr. MacEachen: May we now call clause 58, Mr. Chairman? May I have the consent of the committee to withdraw the amendment to this clause moved on October 29, 1971?

The Chairman: Is it the wish of the committee to give consent to the minister to withdraw the amendment moved by the hon. member for Rosedale on October 29, 1971?

Some hon. Members: Agreed.

Amendment (Mr. Macdonald, Rosedale) withdrawn.

Mr. MacEachen: I move:

That clause 58 of the said Bill be amended

(*a*) by striking out lines 20 and 21 on page 690 and substituting the following:

'the product obtained when the number of full taxation years in the period'

(*b*) by striking out lines 35 and 36 on page 690 and substituting the following:

'of such improvement or addition, as the case may be, exceeded $10,000),'

(*c*) by striking out lines 30 to 49 on page 691 and lines 1 to 27 on page 692 and substituting the following:

'Deemed deductions

(2) For the purposes of paragraph 137(1)(*c*) of the amended Act, a credit union shall be deemed to have deducted, in computing its income for its 1971 taxation year

(*a*) under paragraph 137(1)(*a*) thereof, the maximum amount determined in prescribed manner that would have been claimable by the credit union under that paragraph as a reserve in respect of property described therein in computing its income for its 1971 taxation year if section 137 of the amended Act had been applicable to that year, and

(*b*) under paragraph 137(1)(*b*) thereof, the maximum amount determined in prescribed manner that would have been claimable by the credit union under that paragraph as a reserve in re-

[The Chairman.]

spect of debts described therein in computing its income for its 1971 taxation year if section 137 of the amended Act had been applicable to that year,

except that where the amount of the credit union's 1971 reserve is less than the aggregate of the amounts described in paragraphs (*a*) and (*b*), it shall be deemed to have deducted in computing its income for its 1971 taxation year,

(*c*) under paragraph 137(1)(*a*) of the amended Act, such portion of its 1971 reserve as it may claim, not exceeding the amount described in paragraph (*a*), and

(*d*) under paragraph 137(1)(*b*) of the amended Act, such portion of the amount, if any, by which its 1971 reserve exceeds the amount determined under paragraph (*c*), as does not exceed the amount described in paragraph (*b*).

Special rule applicable to 1972 taxation year

(3) Where a credit union has a taxation year part of which is before and part of which is after the commencement of 1972, the tax payable by it under Part I of the amended Act for that taxation year is that proportion of the tax otherwise payable by it under that Part for the taxation year that the number of days in that portion of the taxation year that is in 1972 is of the number of days in the whole taxation year, and subsection 51(1) does not apply for the purpose of determining the tax payable by it for that taxation year.

Additional deduction for 1973 to 1976 taxation years

(3.1) For the purposes of subsection 137(3) of the amended Act, where a credit union has a taxation year (in this section referred to as the "particular taxation year") part of which is before and part of which is after the commencement of any of the calendar years 1973, 1974, 1975 and 1976 (in this section referred to as the "particular calendar year"), the percentage referred to in subsection 137(3) of the amended Act for the particular taxation year is the percentage equal to the aggregate of

(*a*) that proportion of the percentage so referred to for the particular taxation year that the number of days in that portion of the particular taxation year that is in the particular calendar year, is of the number of days in the whole of the particular taxation year, and

(*b*) that proportion of the percentage so referred to for the taxation year immediately preceding the particular taxation year that the number of days in that portion of the particular taxation year that is in the calendar year immediately preceding the particular calendar year, is of the number of days in the particular taxation year.

Determination of maximum cumulative reserve at end of taxation year

(3.2) Notwithstanding paragraph 137(6)(*c*) of the amended Act, for the purposes of section 137 of the amended Act a credit union's maximum cumulative reserve at the end of any particular year is the amount, if any, by which its maximum cumulative reserve at that time, determined under paragraph 137(6)(*c*) of the amended Act without regard to this subsection, exceeds the lesser of

(*a*) its maximum cumulative reserve, determined under paragraph 137(6)(*c*) of the amended Act without regard to this subsection, at the end of its 1971 taxation year, and

(*b*) the amount, if any, by which its 1971 reserve exceeds the aggregate of the amounts deemed by subsection (2) to have been deducted by it in computing its income for its 1971 taxation year.'

(*d*) by adding, immediately after subclause (4) on page 692, the following subclause:

'Amount of non-capital loss

(4.1) The amount, if any, by which

(*a*) the aggregate of amounts each of which is the amount, as of the commencement of the credit union's 1972 taxation year, of any share in the credit union of any member thereof,

exceeds

(*b*) the amount that would be the credit union's 1971 reserve if paragraph (5)(*c*) were read without reference to subparagraph (vi) thereof

shall, for the purposes of section 111 of the amended Act, be deemed to have been the credit union's non-capital loss for its 1971 taxation year, and, for greater certainty, section 37 does not apply for the purpose of computing a credit union's taxable income for any taxation year.'

(*e*) by striking out lines 13 to 23 on page 693 and substituting the following:

' "1971 reserve"

(*c*) "1971 reserve" of a credit union means the amount, if any, by which the aggregate of amounts each of which is

(i) the amount of any money of the credit union on hand at the commencement of its 1972 taxation year,

(ii) an amount in respect of any property described in paragraph (1)(*a*) or (*b*), equal to the amount at which it is required by those paragraphs to be valued at the commencement of its 1972 taxation year,

(iii) an amount in respect of depreciable property of a prescribed class owned by the credit union on the first day of its 1972 taxation year, equal to the amount determined under paragraph (1)(*d*) to be the undepreciated capital cost thereof to the credit union as of that day, or

(iv) an amount in respect of any capital property (other than depreciable property) owned by the credit union at the commencement of its 1972 taxation year, equal to its cost to the credit union computed without reference to the provisions of section 26,

exceeds the aggregate of amounts each of which is

(v) the amount of any debt owing by the credit union or of any other obligation of the credit union to pay an amount, that was outstanding at the commencement of its 1972 taxation year, excluding, for greater certainty, any share in the credit union of any member thereof, or

(vi) the amount, as of the commencement of the credit union's 1972 taxation year, of any share in the credit union of any member thereof.'

I thank members of the committee for their readiness to allow me to move amendments to clauses 57 and 58. I wish to assure the hon. member for Edmonton West that I will extend the same courtesy to him, if not in the length of the amendments at least in the number, at the appropriate moment.

Now may I ask the committee if we could return to clause 1 and I will put the amendment with respect to the appeal right for the registration of a charity, that is section 172. But first I need to have the consent of the committee to go back to clause 1.

Mr. Aiken: This is the section on which the parliamentary secretary had undertaken to come up with the proposed amendment some time ago. I would like to suggest that after this amendment is produced we could proceed with consideration of it as well as the remainder of the administration sections which were stood over last week.

• (4:10 p.m.)

Mr. Mahoney: Mr. Chairman, if the questions to be considered at this time are ones that are primarily the responsibility of the Department of Justice rather than of the Department of Finance, I would be in entire agreement to proceed with these sections, provided we have time to get the appropriate officials on the floor.

The Chairman: Shall section 58 stand?

Some hon. members: Stand.

The Chairman: Shall the committee consider clause 1, section 172?

Some hon. Members: Agreed.

On clause 1: section 172—*Appeal.*

Mr. MacEachen: Mr. Chairman, I should like to move:

That section 172 as set forth in clause 1 of the said Bill be further amended by adding, immediately after subsection (3) on page 446, the following subsection:

'Deemed refusal to register

(4) For the purposes of subsection (3), the Minister shall be deemed to have refused

(*a*) to register an applicant for registration as a registered Canadian charitable organization or registered Canadian amateur athletic association,

(*b*) to accept for registration for the purposes of this Act any retirement savings plan or profit sharing plan, or

(*c*) to issue a certificate of exemption under subsection 212(14),

where he has not notified the applicant for registration or for the certificate, as the case may be, of his disposition of the application within 180 days after the filing of the application with him, and, in any such case, an appeal from such refusal to the Federal Court of Appeal pursuant to subsection (3) may, notwithstanding anything in subsection 180(1), be instituted under section 180 at any time by filing a notice of appeal in the Court.'

The Chairman: Order. The committee now has before it clause 1, section 172, with an amendment thereto by the President of the Privy Council.

Mr. Aiken: Mr. Chairman, this amendment is very close to the one I suggested. If I am not mistaken I have a formal amendment before the committee on this matter, and when it comes to the point of the question being put I am prepared to withdraw my amendment in favour of the one that the government has put forward.

In large part, the amendment now before us meets the objection I raised. The fundamental problem here is that if the minister made no decision on an application for registration of a charitable organization, or of some other organization, there would be no ground for appeal because an appeal could only arise as the result of a refusal. In this particular case, the applicant would be completely frustrated in his desire to come to a decision. My suggestion was that a time limit should be imposed during which the minister must make a decision, and if he did not he would be deemed to have refused the application so that an appeal could be allowed. In large part the proposed amendment covers this point.

• (4:20 p.m.)

The only point I should like to raise, and my colleague from Edmonton West raised it when we discussed the section earlier, is that sometimes when an outside limit is established it becomes the accepted norm in the department. The officials feel they have six months to consider the application and do not concern themselves with it until the six months have passed. I sincerely hope that the effect of this amendment will not be for the departmental officials to consider that they have six months in which to consider the application. I hope that the parliamentary secretary can assure the committee that the maximum time within which the minister must reply will not become the minimum time. Aside from that general principle, and subject to certain comments which my colleague from Edmonton West may have, the amendment generally meets the proposal I made.

The Chairman: Order. Just before I see the hon. member for Edmonton West, I thank the hon. member for Parry Sound-Muskoka for drawing the attention of the Chair to the fact that there is an amendment to section 172 in his name. The committee has moved so quickly this afternoon that our "ticker" is a little behind. In any event, it might be a good idea if I ask for the consent of the committee, as requested by the hon. member for Parry Sound-Muskoka, that he be permitted to withdraw his amendment to section 172. Is that agreed?

Some hon. Members: Agreed.

Amendment (Mr. Aiken) withdrawn.

Mr. Lambert (Edmonton West): Mr. Chairman, I think my colleague from Parry Sound-Muskoka has indicated the general thrust of my remarks. They are a repetition of what I indicated the other night in considering this particular point. With all due respect to the Canadian Bar and my colleague, I felt that 180 days or six months was far too long a period to give the minister to refuse to an application of a Canadian charitable association for registration or to register a Canadian amateur athletic association or to give notice that he proposed to revoke its registration or that he would refuse to accept for registration any retirement savings plan.

As my colleague indicated, it is an old axiom around here that any indicated maximum of time becomes, in practice, a minimum of time. Therefore, it behooves anyone who is going to apply for registration of a Canadian charitable or athletic association to get the application in at least six months ahead of the time when it wants the registration. It seems to me patently wrong to say that it is going to take more than three months to investigate a charitable association to determine why it should or should not be registered, in addition to which if there is a subscription fund to be registered on behalf of the charity or particular commission, that it should be necessary to

apply six months ahead of the time for registration. I am thinking of those people who have had experience with fund drives on behalf of charities and amateur athletic associations. Frankly, I fail to see the reason for the limitation of six months; it seems to me that 90 days would be more than adequate.

In the case of refusal to register a retirement savings plan, I think if it is going to take the Minister of National Revenue six months to make up his mind about the plan, then he places it in jeopardy in so far as the employees applying for it are concerned. Life does not proceed that slowly. I should like to have the advise of the parliamentary secretary or some officials from the Department of Justice, the Department of National Revenue or the Department of Finance on why 180 days was chosen rather than 90 days. I know it is a matter of choice.

Mr. Mahoney: I agree with the point that the hon. member has made, but in my experience people who apply for registration of charitable institutions usually want the registration granted yesterday rather than tomorrow.

Mr. Lambert (Edmonton West): Sometimes it is necessary.

Mr. Mahoney: This is quite true, but I think from a practical point of view the hon. member will appreciate that once it is decided to make an application these people do put the heat on the Department of National Revenue. I hope that no practical problem such as he anticipates will arise, but it is certainly something that we will observe. I shall bring the comments of the hon. member to the specific attention of the Minister of National Revenue. It is not intended that this be the outer limit, and I am sure the Department will operate in the way the provision is intended rather than use the 180 day time limit as a reason for being dilatory in processing these registration applications.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. MacEachen) agreed to.

The Deputy Chairman: Shall section 225 carry?

Mr. Lambert (Edmonton West): Have we considered section 173?

The Deputy Chairman: Is the committee ready for the question on section 172?

Mr. Aiken: Mr. Chairman, I merely rise to say that we have accepted the amendment and we can now proceed to accept the section.

The Deputy Chairman: Shall section 172 as amended carry?

Some hon. Members: Agreed.

Clause 1, section 172, as amended, agreed to.

On clause 1—Section 225—*Seizure of Chattels.*

Mr. Lambert (Edmonton West): Mr. Chairman, if my memory serves me right, there are some other sections under which the same sort of notice is given. I think perhaps section 168 is one. Briefly, I should like to know at what time the period of notice starts to run, when one says ten days notice by registered mail addressed to the recipient. Is this from the date of registration or the date of receipt of the document of notice?

Mr. Mahoney: From the date of mailing, Mr. Chairman.

Mr. Lambert (Edmonton West): This is what I was afraid of. That is good for Ottawa, Montreal and Toronto. It is too bad the Postmaster General is not in the House. There is an increase in the number of cabinet ministers sitting in the House this afternoon, and this may be a salutary lesson from last week.

Mr. Davis: Sedentary.

Mr. Lambert (Edmonton West): The Minister of the Environment may call it sedentary, but he may improve his knowledge of the income tax laws by sitting here. This is the only way cabinet members will be able to do it, because they certainly did not know what was in it before. Why should the person in British Columbia, Newfoundland or some other point to which it may take between three and five days to send a letter be penalized, whereas the person in Toronto, Montreal, Ottawa or other point close to the capital have an advantage because he gets his mail delivered quickly. I point out to the officials concerned that mail leaving Ottawa on Wednesday, and very definitely mail going out on Thursday, very often is not delivered in certain areas until Tuesday morning.

• (4:30 p.m.)

An hon. Member: That happens in Hull.

Mr. Lambert (Edmonton West): I am told that this happens in Hull. I give the benefit of reasonable doubt, shall we say, to the post office with regard to reasonable performance. The parliamentary secretary knows that these delays occur in Calgary. Mail which arrives in Calgary on Friday afternoon will not be delivered on Saturday or Sunday. Because of the accumulation of mail in the post office, it will not be sorted and delivered on Monday. One must wait until Tuesday. What on earth prevents notice beginning from the date of receipt of that notice by the recipient? What prevents that? Would that not bring justice in this regard right across the country?

You know, Mr. Chairman, I have often complained in the past about what I call the capital city syndrome which applies to people who sit in comfortable pews. They only worry for two or three days about the delivery of letters and then they can go to their lawyers. They have the time to do it. Do not let anyone say to me or to any member representing one of the farther reaches of the country, "A person can go to a judge and get leave to open the case." Do you know just how much it costs to do that? Such suggestions are even worse than Marie Antoinette saying, "If they cannot get bread, let them eat cake." I defy anyone to make an application to a judge, either of the federal court or of the Supreme Court, for less than $250. That is the cost of such an ex parte application. One has to retain an Ottawa representative, and there must be an appearance at the Supreme Court or at the federal court level in order to obtain leave to extend the period. That will cost $250. I have had experience of this with respect

to the Immigration Appeal Board, and I say it is a damnable shame to fix the time in such a way.

Let us consider what happens if there is an Air Canada strike. I should like to see the employees of Air Canada who were responsible for a damn fool strike pick up the tab for two people who are faced with a deportation order. They had to apply for leave to appeal to the Supreme Court of Canada. They had to obtain the transcript of the hearing before the Immigration Appeal Board and a copy of the order. All these materials had to be shipped by pony express, so called, across Canada. May I say that that cost over $300 extra for these poor chaps, simply because the Immigration Appeal Board Act says that the period for appeal shall be ten days after the making of the order and the publishing of it in Ottawa.

We are now considering the same sort of thing. Why on earth do we always see this sort of capital city syndrome with regard to certain statutes. Why cannot administrative people be more accommodating and get up off their sterns, to put it frankly, and accommodate the citizen who is being affected, so that no matter whether a citizen lives in Lillooet, British Columbia, or Come-by-Chance, Newfoundland, he shall have ten days' notice, just as the person living in Montreal, Toronto, Hamilton or Ottawa does. I think it is downright unjust to draft statutes this way. To those who say to members representing districts some distance from Ottawa, "Oh, but you people always scream; you are cry babies," I say, if you go to the court for relief the individual concerned must pay the additional cost. I do not see why that should happen. I should like to hear the parliamentary secretary tell me what justification there is for continuing this unjustice that requires the period of the notice to run from the date of the mailing of the notice. The date of receipt is ignored.

Mr. Aiken: Mr. Chairman, I waited for a moment to see if the parliamentary secretary would come forward with an amendment. I am prepared to move one if he is not so prepared. My amendment would be similar to one that was accepted previously. In that case, the requirement for ten days notice was altered to 30 days' notice. In this case, we are considering a serious penalty involving the right to seize personal chattels ten days after notice has been mailed by registered mail. For the reasons that my colleague has enumerated, I think it would be sensible to increase the period involved to 30 days, so that the person concerned can go to the bank and get the money for paying up his arrears, if that is what he wants to do. Surely, the ten day provision in this section is not less unfair than the ten day provision was in the previous section that was amended. In that case, a person had to launch an appeal within ten days of the mailing of the notice in Ottawa. In both cases, I submit, the ten day period would be unreasonable, and in one case an amendment was accepted.

If the government agrees with me, I will sit down. If not, I am prepared to move an amendment to alter the period in section 225 to 30 days. The parliamentary secretary indicates that I should proceed with my amendment. I will do so, Mr. Chairman.

I move:

That section 225 of clause 1 be amended at page 532 by striking out the figure 10 in line 22 and by substituting the figure 30.

[Mr. Lambert (Edmonton West).]

Mr. Mahoney: Mr. Chairman, we have no objection at all to this amendment. I feel that measuring time from the date of mailing is the only practical solution; otherwise, we shall be involved in all manner of disputes as to when a particular letter is delivered, when it gets into the hands of the person concerned, if it ever gets there, and that sort of thing, or whether somebody else signed for the registered letter, and so on and so forth. That sort of problem is constantly encountered in the service of documents by mail.

However, the 30-day period should give ample protection to people in all parts of the country; taxpayers will be able to receive their notices in time and react to them, if they choose to do so. I think the hon. member's amendment is quite reasonable. I would not, however, agree with the hon. member for Edmonton West that it would be practical, however desirable it might be in theory, to depart from the time of mailing as the time from which we shall measure the beginning of the period in question.

• (4:40 p.m.)

Mr. Lambert (Edmonton West): Mr. Chairman, I think this amendment will go a long way towards meeting the objections that I have. However, the parliamentary secretary's practice of law must not involve much litigation. After all, most of the service of documents of the courts in his city is done by double registered mail. Certainly on matters of much greater import than this, such as a foreclosure, the documentation is always served by double registered mail. That is the only way. It never causes any particular inconvenience.

I have always found it very difficult to understand the so-called administrative difficulties in the Department of Justice. The provincial authorities have had a reasonably happy experience with double registered mail. This must mean that the people in the federal Department of Justice do not have any faith in the Post Office and that is why they turn down the idea of double registered mail. I know some of them will privately agree that they do not have any faith in it, but publicly they have to put on a much better face than that. By making the period 30-days, there is sufficient latitude and I am quite satisfied there is. I thank the parliamentary secretary for accepting this proposal, albeit I think it an imperfect solution.

Mr. Baldwin: Mr. Chairman, I had been about to make some comments on this when I heard my hon. friend's amendment. I am inclined to go along with it. The parliamentary secretary need not worry about there being any division. I want to ask the parliamentary secretary if there have been any judicial decisions on existing sections of either the Income Tax Act or comparable legislation where the courts, having been requested, have given a decision as to what, in their opinion, is the meaning of 10 days notice by registered mail. The parliamentary secretary said this is what the department deems it to be. I have no doubt that this is their intention. Are there judicial decisions which have been given? The parliamentary secretary is now being briefed on this, so I will not repeat what I said.

Mr. Mahoney: On the specific point, Mr. Chairman, I am instructed that the Interpretation Act provides for this matter and the date of mailing is not included in the time period. The day immediately following the day of mailing is day one.

Mr. Baldwin: The date of receipt counts, but the date of mailing does not.

Mr. Mahoney: That is right.

Amendment (Mr. Aiken) agreed to.

Clause 1, section 225, as amended, agreed to.

Mr. Lambert (Edmonton West): In section 225(2) we have a further 10-day period for the keeping of goods after seizure. I wonder what the experience has been there. I am looking to the departmental officials to tell us whether they have encountered difficulties or criticisms in the courts from the rather short period because, if memory serves me correctly, I believe that under provincial statute seizures must be retained for longer than 10 days. The charges for storage and so on are the debtor's or the taxpayer's expense. Dealing with the outer reaches, is 10 days frankly adequate from the taxpayers' point of view?

Mr. Mahoney: Mr. Chairman, the 10-day period here is the period during which the property is kept at the cost or expense of the taxpayer. At the end of that period, of course, the Crown is at liberty to proceed to the public auction. However, any costs or expenses incurred in retaining the seized chattel beyond the 10-day period is at the expense of the taxpayer. The length of time does not seem to be inappropriate. At this particular point, the taxpayer is very well aware of what is happening and has certainly had every opportunity to avail himself of whatever legal recourse he chooses. The limitation of 10 days is basically to assure that the taxpayers costs are not run up, as well as to give a decent period of time for him to take whatever action he needs to take, if he wants to redeem the goods.

The Deputy Chairman: The question asked by the hon. member for Edmonton West did not re-open the discussion on section 225 which was adopted as amended. We will now go to section 231.

On clause 1—section 231: *Investigations.*

Mr. Lambert (Edmonton West): Just a minute, Mr. Chairman. You are going a little fast.

The Deputy Chairman: The hon. member for Edmonton West said the Chair goes too fast. The Chair is trying to follow the directions of the committee which flow from the agreement accepted earlier.

Mr. Aiken: Mr. Chairman, I am just rising to hold the fort for the hon. member for Edmonton West. Section 231 is one of the sections the hon. member asked to have stood at the last hearing. I believe he referred particularly to subsections (2) and (15), and perhaps other subsections.

I have some comments on these two subsections. The first comment relates to subsection (2) which requires the minister, within 120 days from the date of seizure of documents, records and papers, to return them to the person from whom they were seized. This is a long period of time to hold documents when copies can be made in a few minutes of any documents which may be relevant to a prosecution. This provision could result in a tremendous loss to a person who had documents seized, particularly if he were trying to carry on a business and the documents seized were essential to his business. It comes to a halt. Not only can he not defend himself on the charges that may be brought against him because his documents have all been seized, but in the meantime he may go out of business. It seems that 120 days is an unreasonable length of time to hold these documents.

At this time I should like also to refer to subsection (15) of section 231 which reads:

> Any person whose affairs are investigated in the course of an inquiry authorized under subsection (7) is entitled to be present and to be represented by counsel throughout the inquiry unless the hearing officer appointed under subsection (8) in relation to the inquiry, on application by the minister or a person giving evidence, orders otherwise in relation to the whole or any part of the inquiry on the ground that the presence of the person and his counsel, or either of them, would be prejudicial to the effective conduct of the inquiry.

I do not see how one could consider the presence of a person who is being investigated as prejudicial to the inquiry. I think it should be a basic right which should not be taken away by the person holding the inquiry. I can see no reason why a person so charged should not be present. If the department believes there are such circumstances, I would be pleased to hear an explanation. But the exception might then become the rule. Whoever is appointed to hold the board of inquiry might feel that the person whose affairs are being investigated would become a nuisance if he were allowed to be present. He might ask too many questions, raise too many points of order, and so on. As I say, I can see no justification on grounds of fairness for excluding from the hearing the person whose affairs are under investigation, or his counsel.

• (4:50 p.m.)

Mr. Lambert (Edmonton West): Mr. Chairman, I raised one or two questions on Tuesday last with regard to section 231 and the parliamentary secretary who was conducting the bill suggested we should stand the section.

I have been looking at the record. I think I did refer to section 231. We are again on 231(3). Notice is given or a demand is made by registered letter, and no specified period is set out, I want to know what is the period that is related to registered letters in matters of this kind. We were just looking at notice by way of registered letter and the period there was ten days. We are again getting a demand by way of registered letter and what is the time that is allowed by practice because there is no stated time under 231(3). If a registered letter is satisfactory to establish that a demand has been made in this particular case, why was a registered letter not administratively possible to use as I had suggested under section 225? It seems to me that in one case this is all right, but in the other case administratively it would be difficult. Frankly, I think before the courts one is faced with the same problem, proof of notice. If merely the mailing of a registered letter is sufficient to establish notice, I find that very difficult to understand.

Mr. Mahoney: If there is a customary or common period, I will find out and let the hon. member know in a few moments.

With regard to the question raised by the hon. member for Parry Sound-Muskoka, there is no doubt that to have

records tied up for 120 days can be a great inconvenience to a taxpayer. However, the taxpayer does have full right of inspection during the period. It is the practice to permit him to make copies and extracts. I believe the hon. member's recollection of the laws of evidence will confirm my statement that original documents are most desirable as evidence when they are available, and that copies would not be as satisfactory in the case of the department deciding to proceed. From a practical point of view of any taxpayer going out of business as a result of this procedure, if the hon. member has any example of a taxpayer going out of business as a result of this procedure to cite in support of his speculation we should like to hear about it.

With regard to his statement that he cannot imagine circumstances in which a person should be excluded from a hearing under section 231(15) I would point out that this refers to inquiries authorized under subsection (7) for any purpose related to the administration or enforcement of the act. These are not simply inquiries into a taxpayers' affairs with a view to determining possible tax evasion or tax due on unreported revenue. This could involve situations where officials of the department have been bribed, or offered bribes. It could involve many aspects of the administration or maladministration of the act and, in circumstances of that sort, it might very well be necessary to undertake a closed inquiry. The hon. member will appreciate that any prosecutions would proceed in court after the result of the inquiry had been made known. In other circumstances, the taxpayer involved might be an employer. Evidence might be needed from his employees and there might be a possibility of intimidation. In the circumstances, the inquiry officer might decide that the taxpayer being investigated should not be present in order that the interests of justice might best be served.

What we are considering here is a new subsection. Previously, these investigations were all held without the person being investigated having the right to attend the inquiry. There are many situations involving the administration of the act in which an inquiry might be necessary, and at which the person being investigated ought not to be present.

The Deputy Chairman: Perhaps at this time, pursuant to Standing Order 40, I should inform hon. members of the questions to be raised tonight at the time of the adjournment. They are as follows: the hon. member for Fraser Valley East—Airports—Hawkesbury—Action to remove possible safety hazard created by Canadian National Railways; the hon. member for Nanaimo-Cowichan-The Islands—Finance—Special development loan program—suggested increase in British Columbia allocation—amendment of formula; the hon. member for Frontenac-Lennox and Addington—Administration of Justice—Granting of parole to Nelles kidnappers—refusal to return licence to person convicted of impaired driving.

Mr. Baldwin: Mr. Chairman, the parliamentary secretary has taken a very interesting position. I can understand that there is a distinction to be made between a departmental investigation involving, possibly, issues such as bribery, intimidation and so on and other cases involving taxpayers directly, but I would have thought such cases could have been brought outside the scope of subsection (7). The subsection is a new one, as is subsection (8) and subsection (15). This involves the consideration of who will be the hearing officers. Will they be from the public service? Will they be departmental people? If so, I agree thoroughly with my hon. friend from Parry Sound-Muskoka. I think it is altogether improper and unethical to give a judicial function to a government employee. Then, within the judicial capacity given by this section, the government official who is the hearing officer could, completely within his own discretion, refuse to allow the person whose affairs are being investigated in the course of an inquiry to be present and represented by counsel.

• (5:00 p.m.)

Now, quite obviously if the people whose conduct is being investigated, that may be allright. However, I believe there should be some distinction made here between people in that category and taxpayers. I think it should be quite plain there is no intention by this subsection to say to taxpayers that they cannot be present and cannot be represented by counsel because the hearing officer so decides. The parliamentary secretary has said that the intent is to make this distinction, and I gather from him that he feels there will not be a situation where a taxpayer in respect of whom an investigation is being conducted by a hearing officer will, in fact, be excluded or in fact not be allowed to be represented by counsel.

I think it is a matter of wording this so the plain distinction is drawn between two types of persons whose affairs are being investigated. It should be made absolutely plain in so far as taxpayers are concerned that when their affairs are being investigated that there is the right of appearance by counsel or personal appearance. I think possibly the parliamentary secretary might consider it in that light.

Mr. Mahoney: Mr. Chairman, I should point out that under subsection 8 the hearing officer is appointed by the tax review board on application by the minister. It would be contemplated that, in the ordinary course of events in the investigation of a taxpayer's affairs, this would be an independent person and not an officer of the department. I find it difficult to imagine the circumstances under which the tax review board would agree that that type of investigation could be appropriately carried out by an officer of the Department of National Revenue who in essence is one of the parties to the dispute. I think we can and should rely on the tax review board to see that it appoints appropriate people as these inquiry officers.

Mr. Aiken: Mr. Chairman, in view of what the parliamentary secretary has said, and in view of the other arguments presented, I would make a suggestion to see how the government would react to it. I believe it would meet both points which have been raised. The parliamentary secretary has said there may be parts of an inquiry which do not relate directly to an individual or a certain person and it might be felt that he should not be present. However, if a person is to be excluded from such a hearing, I believe the grounds should be clear and that the onus should be on the hearing officer to establish that nothing will proceed in the absence of that person which affects him. I am wondering if it would be acceptable if all

the words after the word "inquiry" in line five were deleted and the words "so far as it relates to such person" substituted. In that case a hearing officer would have to determine whether or not the proceedings or the portion of the proceedings then going forward related to such a person, and the onus would be on the hearing officer—and also to guide himself during the absence of such person—not to deal with the rights of such a person under inquiry in his absence. I think such an amendment would alleviate the possibility which concerns us at the moment. I am throwing out this suggestion.

I repeat that everything after the word "inquiry" in line five should be deleted and that the words "so far as it relates to such person" be substituted. I should like to hear the reaction of the government on that proposal, because I think it would meet the problem which has been posed in respect of parts of an inquiry which do not relate to the person concerned but which relate to some departmental practice or procedure.

Mr. Mahoney: That is quite true, Mr. Chairman, but the hon. member's amendment would nullify the whole section because at the point at which it involves the departmental practice or procedure, presumably the person being investigated is the departmental officer who is alleged to have been corrupt or corrupted. I think that the hon. member should realize that unless the inquiry were to take account of irrelevant or extraneous matters, the person investigated would inevitably be affected.

Mr. Aiken: Then you have destroyed your whole argument that there is any point at which the evidence would be irrelevant. If as the parliamentary secretary says every part of the inquiry would relate to such a person, then why should he be excluded? I thought his argument was the other way around.

Mr. Mahoney: No, Mr. Chairman. I think Judge Hoffman could outline situations for the hon. member where it would be essential that the party be excluded for good reason in order to effectively carry out the hearings. These things do happen. They have happened in our own country in cases some of which are still sub judice and which we cannot discuss. However, there are special circumstances in which it might be advisable, in the interest of justice, that the person be present or be represented by counsel. I have outlined some of these before. I have to go back to the fact that this is an inquiry officer appointed by the Tax Review Board and not an officer from the Department of National Revenue who is making this decision. The decision can be made only on application either by the minister or by some witness who is appearing before the inquiry. It is not one that the inquiry officer can institute. So I believe there are built-in checks. I believe we have indicated the policy desired that these people be present or represented wherever possible. I have also pointed out that these are administrative proceedings. This is an inquiry.

What happens in the judicial sense will depend on the resolution of that inquiry and will be disposed of in the ordinary courts of the land, in the Tax Review Board and so on. Frankly, my sense of justice is not offended by this provision. I think it is a very positive and new provision in the bill which will give rights which heretofore have not been enjoyed by taxpayers. I think perhaps it is overdue, but I do not believe this particular subsection offends any basic principle of justice.

Mr. Lambert (Edmonton West): Mr. Chairman, I find it rather difficult to follow the parliamentary secretary at this point. As he said this is a new section. I cannot say that I am satisfied that the administrative practices under this section have been good because there have been no administrative practices under this particular section. On the other hand, I must say that I complimented the President of the Treasury Board the other day, and through him the government, for introducing the concept that the person involved could either be present or be represented by counsel when his affairs are being examined. Naturally, I did not say anything about the proviso. After all, the right that is being recognized is new. Then, there is the proviso according to which, the parliamentary secretary tells us, the minister must apply. But to whom must he apply in order to exclude the taxpayer and or his counsel? The hearing officer is appointed by the minister himself.

• (5:10 p.m.)

Mr. Mahoney: By the Tax Review Board.

Mr. Lambert (Edmonton West): If the parliamentary secretary will look at subsections (7) and (8) he will see that the person who may be appointed a hearing officer may or may not be an employee of the Department of National Revenue. The person appointed is subject to confirmation by an order of the Tax Review Board.

Mr. Mahoney: May I clarify this? Under subsection (7), the person appointed to conduct an inquiry may or may not be an officer of the department. He is analogous to the prosecuting attorney, if you like. Then, the hearing officer before whom the inquiry is conducted is appointed under subsection (8), and he is analagous to the judge, if I may make that analogy. He is the one who is appointed by the Tax Review Board. So, there are two different people.

Mr. Baldwin: Does the parliamentary secretary not contemplate that on the application to the Tax Review Board the minister will nominate a person and that when he applies, by means of whatever procedure would be adopted, he would say to the Tax Review Board "I am requesting the appointment of a hearing officer and I suggest such-and-such a person." I am not suggesting that this will be the course pursued, but I would like the parliamentary secretary to say that there is no intent on the part of the department for the minister to nominate the hearing officer.

Secondly, while the parliamentary secretary is considering that, let me refer to the point raised by the hon. member for Parry Sound-Muskoka. While I realize that any commitments or statements made in this House are not binding in a court of law, nevertheless perhaps the parliamentary secretary might indicate that it is the intent of the government, in dealing with subsection (15) and its implementation, not to deprive a taxpayer whose affairs are being investigated of the right to be present and represented by counsel. Is he able to give that reassurance that that is the intent and the practice which will be observed so far as the department is concerned.

Mr. Mahoney: May I say on the first point that I think the Tax Review Board would be most reluctant to appoint an officer of the Department of National Revenue as the hearing officer in an investigation involving a dispute between a taxpayer and the department. I can visualize circumstances where the subject matter of the inquiry is departmental administration rather than a dispute between a taxpayer and the department where it might be appropriate, although I think that a competent, independent person would be more appropriate in almost any case.

On the second point, I cannot give the assurance for the simple reason that the inquiry officer will have to decide under subsection (15) that:

—the presence of the person and his counsel, or either of them, would be prejudicial to the effective conduct of the inquiry.

I do not have the imagination to be able to say that that would not occur in the case of an inquiry into the affairs of a taxpayer. I hope it would not occur often. The intent is that the person be allowed to be present or to be represented by counsel in all cases, and only when it is prejudicial to the inquiry does the presiding officer who is appointed by the Tax Review Board come to be called upon to make the decision to exclude the person. But circumstances might very well dictate to him that the ends of justice and the purpose of the inquiry would be best served by excluding him. That is why the option is there for the officer to make that ruling.

Mr. Baldwin: To sum it up then, there are no guidelines. The hearing officer has the power, without any direction from the statute, to exclude on his own discretion a taxpayer and or his counsel from an inquiry.

Mr. Lambert (Edmonton West): It was very interesting to hear the observations of the parliamentary secretary and to hear him say that he did not think the special hearing officer would be an employee of the Department of National Revenue. It should not be too strange if the practice were adopted, because under the Immigration Act when a prospective immigrant to this country who wishes to be landed is examined by an immigration officer as to his qualifications for being landed and is then turned down, the appeal is by way of a special inquiry under a special inquiry officer who may be a fellow employee of the Department of Manpower and Immigration, in the same blessed branch, and who is asked to rule upon a prior decision of his colleague. That is why there are 7,500 cases before the Immigration Appeal Board now. I hope that at the appropriate time the appropriate minister may make the necessary changes in this respect. This is why there is this built-in abuse where one man is asked to rule on a prior decision of his colleague. This is what we find when we read the transcripts. I am not discussing the Immigration Act and the practices thereunder, but what I am saying is that this can happen within the realm of government administration and it is conceivable that certain officers of the Department of National Revenue could be recommended as special hearing officers. There is nothing to prevent this.

Mr. Baldwin: I admire the confidence of the parliamentary secretary. Let me say that many things are done in this House which have a different impact outside the House than was contemplated. I can recall the early days of my practice of law in Peace River. At that time under the Fisheries Act—it may still be there for all I know and I am sorry the Minister of Fisheries has left the House—an enforcement officer of the Department of Fisheries could investigate alleged infractions against the Fisheries Act, lay a charge, appear as the justice of the peace, and try the case. The parliamentary secretary smiles.

I remember raising this point during the course of a dispute before the officer of the Fisheries Department who thought he had every right to do this. He was indignant that I would suggest it was not the thing to do, and finally I had to proceed by way of certiorari and have the conviction quashed. But I am quite convinced that when the House of Commons was discussing this particular clause some minister attempted to sooth the doubts and anxieties of members of the opposition by saying, "This does not mean anything. No one would operate in this way under it." But the facts of life are that when these powers are given, officials act under them and injustices do occur.

• (5:20 p.m.)

I am not going to say any more. I did contemplate moving an amendment. The government seems to be in a very flexible position today regarding amendments but I will not try my luck. When one considers the extent to which these provisions will be reflected in actual practice, one can see there is ample scope for grave injustices. I repeat that injustices will occur, and before too long a period has elapsed these sections will have to be amended along the lines that we have suggested. Certainly after the next election, when we form the government, we will do it if it has not been done before then.

Mr. Mahoney: Mr. Chairman, I certainly do not want to filibuster this worthy section, but I would not wish to see the debate on this particular point terminate with any aspersions directed towards the Tax Review Board, which is a judicial body, and which is the body charged with appointing this person who conducts the inquiry, the hearing officer. I am confident that this board can be expected to exercise its powers of appointment as well as its powers in other respects in a judicial fashion. I have every confidence that this is a very progressive step and will not be abused.

Mr. Baldwin: So far as I can see this step is far more conservative than progressive. No one is casting aspersions on the Tax Review Board, but it is my experience through long professional life of having to combat people engaged in the administration of government that, for what they deem to be good and sufficient purposes and reasons, they have no objection to utilizing all the scope of ambiguously worded sections of this kind, which grant great powers, and that under those conditions injustices occur.

I will leave it at that, Mr. Chairman. I think the parliamentary secretary is wrong. I think the situation is much different from what he contemplates, and I prophesy that these powers will be abused. We have done our job as a responsible opposition. We have directed the attention of the committee to the dangers which exist. Having done that, and having filed our caveat, if the government insists

on passage of these provisions without any amendment then the responsibility rests on it.

Mr. Rose: Mr. Chairman, I think there is a very important principle involved here. That is why I wish to support the position taken by the hon. member for Edmonton West and the hon. member for Peace River. All of us can recall that when Department of Veterans Affairs legislation was being debated here some months ago, one of the important principles then established was that of a separate and distinct appellate division. It was the feeling that if the person called upon to conduct a review was, in effect, the same person or administrative body that made the decision in the first place, then the kind of problem mentioned by the hon. member for Peace River had a greater chance to arise, and discrimination could occur.

On behalf of a number of my constituents I have made requests for review boards to various ministries, including National Health and Welfare, Manpower and Immigration, National Defence and others. In most cases I have found that an independent review takes place, but in others I had a strong suspicion that the review was conducted by the people, or friends of the people who made the decision in the first place, and that they were content to defend the original decision. The reason for the existence of any appellate court is to provide an open and fresh look at a particular problem. I think this is best achieved if the party first involved in the decision making is not connected with the review.

The Assistant Deputy Chairman: Is the committee ready for the question?

Mr. Aiken: Mr. Chairman, I do not know if the parliamentary secretary wishes to reply to the hon. member who has just spoken, but if not we could proceed with the voting.

The Assistant Deputy Chairman: Shall section 231 carry?

Some hon. Members: On division.

Clause 1, section 231 agreed to.

The Assistant Deputy Chairman: Shall section 239 carry? There is an amendment from the hon. member for Edmonton West.

Mr. Aiken: On a point of order, Mr. Chairman, have we passed section 235? I thought it had been stood.

The Assistant Deputy Chairman: We just passed 231.

Mr. Aiken: Are we now proceeding to 235 or 239?

The Assistant Deputy Chairman: We are on 239 and, as I said, there is an amendment from the hon. member for Edmonton West.

Mr. Aiken: Mr. Chairman, I do not believe that 235 has been passed. I think it has been stood.

The Assistant Deputy Chairman: I understood section 235 had been passed. I said we just passed 231. Shall 235 pass then?

On clause 1—section 235: *Penalty for failure to make returns.*

Mr. Lambert (Edmonton West): Mr. Chairman, section 235 is tied in with section 239, and I want to hear the reply to my amendment to section 239. Actually 235 is the present counterpart to 239 (2), because 235 says it is an offence under the act to fail to file a return under certain subsections, and 235(2) sets out other circumstances under which a person who fails to act in accordance with regulations passed under authority of "paragraph 221" may be prosecuted.

First of all, what about the regulations? Are they ready? I see looks of surprise among some of the officials. If they had been present last week they would know whereof I speak, because at that time I questioned whether certain regulations were ready since they have just as much import with regard to the administration of the act as do the statutory provisions.

• (5:30 p.m.)

Section 235 is a classic example. It is conceivable that these are merely a carry forward of section 129(1)(2) of the present act and that there are regulations in existence with regard to them. As I have pointed out again and again, however, this is a new act. All is on the table, including the regulations. I want to know if it is proposed to make any new regulations, or are they to be the same as heretofore in regard to section 235?

I spoke about sections 235 and 239. Under section 235, for instance, it is an offence to fail to file a return, and it may be very important that returns are consistently not made following demands—as an open defiance of the act and perhaps a suppression of revenues—but the penalty provided is on summary conviction. Mr. Chairman, there is another provision which says that there can be another penalty. Section 239(1) lays out another type of penalty for non-compliance with the act. Subsection (2) says that anything that is in non-compliance of the act under subsection (1) may be the subject of an indictment. So an offence under section 235 could prove to be indictable.

I ask why the indictment procedure is upheld in some cases and not in others. As I said already in reference to section 239 (2), it is completely contrary to any sense of justice for a minister or official to decide that a man shall go to jail. That is the effect of section 239 (2) which I shall argue in due course. I have made my preliminary argument with regard to section 235. I have some preliminary questions in that respect, but the real thrust of what I want to get at is section 239 (2).

Mr. Aiken: Mr. Chairman, there is one thing that particularly bothers me about the combination of sections 221 (2), 235 and 239. Under section 221 (2), to which we raised objection but on which we were overruled, regulations under the act shall, if the regulation so provides, be effective with reference to a period before it was published. We already have that on the books; the section has been passed. It seems to me that it meant that if there is a prosecution under section 235, which we are now considering, for failing to make a return as and, when required by regulation—under section 221—a person can be charged with committing an offence which did not exist at the time he committed it. In other words, the regulation can be backdated: it could be published on September 30, effective the previous June 30.

What would happen to a person who on July 30 failed to comply with a regulation which was not then promulgated or published? Under the combination of these three clauses he could be found guilty under section 235 and sent to jail for two months under section 239 for failing to comply with a provision under section 221 which did not exist at the time he breached it. This seems to me the most ridiculous part of the Income Tax Act that we have before us.

It is all very well to say that the Department of National Revenue would never do such a thing. I do not suppose anybody would intentionally do it, but I think it behooves members of this House to make sure that such a situation cannot happen and that we are passing sensible laws. This is an example of the most senseless group of sections I have ever seen. Section 221 was not well drafted, in view of sections 235 and 239; but I am afraid we cannot go back to section 221 as it has been passed. We cannot go back to section 221 (2) and I suppose I should not be reflecting on the vote, and I am not, any more than to say that since it has been accepted it has left us in a ridiculous situation with regard to sections 235 and 239.

Section 239 gives the minister the right to proceed by way of indictment against a person for failing to file a return under section 235. He proceeds by way of indictment and the penalty is a minimum of two months in jail. Section 235 specifically mentions regulations under section 221 which can be promulgated and become effective before they are even published or made known to the public. Ignorance of the law is no excuse—but surely ignorance of a law which does not at that time exist, ignorance of a law which at that time is not known to the public, has not been promulgated and has not been published, should be a defence. Yet that is not the way in which this combination of sections has been drawn. From the beginning we objected to the absolute right of the minister to proceed by way of indictment under section 235 particularly, which can be nothing more than failure to file a return.

• (5:40 p.m.)

To carry the argument further, the offence could amount to nothing more than failure to file a return in the prescribed form. If the regulation is introduced on September 30, to be effective on July 30, there is no way that a person could comply with it. But he could be sent to jail for two months for non-compliance. If my reasoning is wrong, I should like to have it corrected.

I have looked at this matter in connection with sections 239 and 221. I do not see how the department can justify section 239(2) in concert with section 235—the section we are considering—unless 239 is amended in the manner proposed by the hon. member for Edmonton West. If accepted, the question of sentence would be left to the presiding judge, and the minister merely on his own authority would not be permitted to proceed by way of indictment. The judge would have to determine the circumstances of the case in sentencing. Frankly, I am not even prepared to go that far. There are some judges whom I would not trust, either. I will not name them, but I would not trust them any more than I would trust the government. I have appeared before them.

If the present provisions of the bill become law, judges will have no option but to convict. I can almost hear a judge saying to an accused, "I know that this is a ridiculous situation, but I am required by the law to convict you and send you to jail for two months for failing to file a return, which requirement did not exist at the time you were supposed to file the return." What can a judge do? He will have no option but to enforce a ridiculous provision in the law. I will say no more until the parliamentary secretary tells me that there is something wrong with my argument and that what I have suggested cannot take place.

Mr. Mahoney: I do not believe, Mr. Chairman, that it is within the power of the Governor in Council by regulation to create retroactive criminal consequences. I think the hon. member contemplates that this might happen. I am advised that that is beyond the power of the Governor in Council and that the courts would not uphold such regulations.

Mr. Aiken: Then why did we pass section 221(2) which provides:

> No regulation made under this act has effect until it has been published in the *Canada Gazette* but, when so published, a regulation shall, if it so provides, be effective with reference to a period before it was published.

Mr. Mahoney: Mr. Chairman, it is contemplated that there will be necessity for numerous regulations to have retroactive effect after this act has been implemented, in order to make sure that there is no punitive impact on taxpayers as a result of the transitional period. It is anticipated that these retroactive regulations will be relieving in nature. It is certainly not contemplated that punitive regulations will be passed. Indeed, as I indicated earlier, such punitive regulations would not be legal if they were passed.

We recognize the necessity for relieving regulations. For example, let us consider the instance, raised earlier and debated at some length, involving the B.C. teachers and the credit union—a matter in which the hon. member for Edmonton West took great interest. In that case it would be necessary to pass a regulation that would be retroactive to budget day so that the type of investment these people have been making will be a qualified investment for the purposes of their pension plan. That is the sort of thing that is contemplated.

Mr. Aiken: I appreciate what the intention may be, but regardless of all these fine intentions the act specifies that regulations can be published and be effective prior to the publication date. The situation I alluded to could arise. What I am trying to do is to include a provision, either under section 235 which we are now considering, or section 239 which will prevent the suggested situation from arising and which the parliamentary secretary says is not likely to happen. If in the future section 221 is deemed to be illegal, or if regulations passed under that section are found to be illegal, why should we pass such regulations now? Why should we not include in the bill a saving provision?

The parliamentary secretary has suggested that we must pass retroactive regulations now because they will all be retroactive to the date on which the bill will become

effective. I am objecting to passing regulations which will not be in existence at the time of a prosecution. I think we should make sure, either by amendment to section 235 or to section 239, that such situation cannot arise. The parliamentary secretary has suggested that you cannot legally pass retroactive criminal legislation. I do not agree with him. Talking off the top of my head, I suggest that we often pass criminal retroactive legislation.

An hon. Member: That is how the public order bill worked.

Mr. Aiken: Yes. When we passed the Public Order (Temporary Measures) Act it was to be effective on a date prior to its implementation. I also cite the War Measures Act. That act was invoked by order in council and Parliament approved it some days later. It could not have been approved in a form different from that in which it was proposed.

I have given two examples but I can think of many others to show that we have passed criminal legislation and dated it back, so to speak. That is why section 239(2) is so dangerous. It gives the minister the right to proceed by way of indictment in the sort of situation to which I have alluded. I cannot understand why that should be done. We have not yet dealt with section 239, but since we are dealing with these matters perhaps the parliamentary secretary would reassure us concerning the amendment to section 239 which the hon. member for Edmonton West has moved. Is he prepared to accept this or a simiar amendment? If he is, some of the dangers I have outlined may be eliminated.

Mr. Lambert (Edmonton West): Mr. Chairman, notwithstanding all the pious hopes of the parliamentary secretary and protestations regarding the good behaviour in future of the administrative people, I think that what the parliamentary secretary said is, frankly, fatuous. The parliamentary secretary said that no government or administration would make retroactive legislation that has a penal effect. Then what in the blazes is he talking about in section 235? Section 235 provides:

• (5:50 p.m.)

Every person who has failed to make a return as and when required by regulation under subsection 215(4), by regulation under section 221—

It does not say section 221(1) or 221(2); it says section 221. That means all the section.

—or by subsection 227(2) is liable to a penalty of $10 a day for each day of default but not exceeding in all $2,500.

In other words, the regulations under section 221 can, and specifically do, create an offence under the act. Section 235(2) provides:

Every person who fails to comply with a regulation made under paragraph 221(1)(e)—

Section 221(1)(e) provides:

—required to make an information return to supply a copy of the information return or of a prescribed portion thereof to the person or persons in respect of whose income the information return or portion thereof relates.

In other words, it is with regard to his employees. If he fails to do that, he can be fined $10 a day up to a maximum of $2,500. That is non-compliance with the act. As I have said, anything which is made an offence under section 235 is ipso facto an offence under section 239(1). Under section 239(1) there is full authority to proceed against the individual by way of indictment. As the hon. member for Parry Sound-Muskoka said, the net result is a regulation and it is spelled out in section 235. Any kind of regulation can be made with a retroactive effect requiring compliance. Within the neutral period there could be non-compliance. This then becomes an offence under the law, with the consequences I have pointed out.

Let no one say we are stretching things. If there is not to be any offence created, and if it is not the intention to use the section for that purpose, it is not required within the law. That is simple. Therefore, why this confusion? I want the parliamentary secretary to tell us that what we are suggesting cannot in fact happen. He can say that he does not think it will happen. But it is very possible it can. The language is clear. It is absolutely possible for it to happen. Therefore, it should not be in the act.

Mr. Aiken: Mr. Chairman, I wish we could get some assurance on this section before we pass it. I am not ready to let section 235 pass until we know where we are going on section 239. We have not yet had an answer. It is almost six o'clock. Perhaps the parliamentary secretary would like to consider the position over the dinner hour. This is a serious point. It is the basis of the whole administration and enforcement section of the Income Tax Act.

All the other things are there, the whole 700 pages, but the administration and enforcement of it are contained within the three sections we are now considering. We would be irresponsible if we permitted this section to be passed into law without a good deal more assurance than we now have. Either section 235 or section 239(2) requires amendment. If the government clearly states it does not intend that any prosecution shall proceed under a regulation which is promulgated subsequent to an alleged offence having been committed, all they have to do is write it into the income tax bill and we will be happy.

May I call it six o'clock, Mr. Chairman?

The Assistant Deputy Chairman: Order, please. It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: When the committee rose at six o'clock we were discussing section 235.

Mr. Aiken: I rise merely to ask the parliamentary secretary whether the government has anything to offer the committee with regard to the problems we raised this afternoon in connection with sections 235, 221 and 239(2).

Mr. Mahoney: I wish I could satisfy the hon. member better than I am sure I shall be able to do. First, I must take some exception to the suggestion he made before dinner that I had not responded to his questions earlier. I believe I did respond, though I can understand that he

might not be satisfied with the answers I gave. But that is another question. We are dealing here with an area of the bill which, frankly, does not lend itself to the provision of the happy answers I might otherwise be able to supply. Experience of enforcement indicates that we require these sections very much unchanged.

We have no amendments to put forward, neither have any amendments been forthcoming from elsewhere that we are prepared to accept. This is the sort of thing the hon. member for Edmonton West, in his previous position of parliamentary secretary to the Minister of National Revenue, no doubt had to live with. I am sure at that time he presented to his minister many suggestions as to how the sections might be improved. The fact is that the sections before us are a carryover from the existing act. We feel that in the practical sense, in their practical application, there is little room for inequity. If there is, we shall be prepared to move and act accordingly.

Section 221 is not a new section and it is not a punitive section; it is one which is referred to in section 235. A number of the provisions in that section are new. They have been made in anticipation that regulations will be required to relieve taxpayers of unfair burdens during the transitional period. It is for this reason that we anticipate that regulations will be passed having a retroactive effect.

I realize that hon. members opposite can argue that regulations might be passed which would impose a burden of some description upon taxpayers on a retroactive basis. They can argue this in theory but in practice I do not think the courts would uphold any regulation which imposed a burden on taxpayers retroactively because, essentially, that would be the imposition of a tax, which is the prerogative of Parliament, and not of the Governor in Council. Again, I regret that my response is not likely to satisfy the hon. member for Parry Sound-Muskoka or the hon. member for Edmonton West.

Mr. Lambert (Edmonton West): In that case, I suggest to the hon. gentleman that he look at the implications. He may say these are carryovers and have never given rise to any problems. But it is only in the past session that the House approved the Statutory Instruments Act. It would be an extremely interesting situation if the committee which will be set up at some time to review statutory instruments were to find that the effect of a regulation was totally unfair, though the minister might have been relying on the authority given him by the House to impose such a regulation.

This is the difficulty. Allowance has been made in section 221(2) for retroactive regulations. During the currency of the existing act there has been no such thing as the Statutory Instruments Act. The parliamentary secretary should remember what the Minister of Justice said when that act was passed—that orders in council or regulations would be subject to screening by the committee, and to adverse recommendations, if they applied with retroactive effect.

• (8:10 p.m.)

How does Parliament square-up a recommendation from a committee of the House which says that this regulation is bad in so far as it is retroactive. Yet the House has authorized retroactive regulations in this legislation. I cannot square this up at all. I know the House has given approval to section 221(2), but the effect comes home in section 235 because that section speaks of section 221 and provides a penalty for an offence under any regulation passed pursuant to the whole of section 221.

I wonder whether the parliamentary secretary would be prepared to accept a proviso to section 235 in respect of section 221. As my colleague from Parry Sound-Muskoka indicated, there is good reason for section 221(2) in order to give effect to the provision that no regulation shall be effective until it has been published in the *Canada Gazette*, and to that part we say "Amen." We agree with that, but we do not agree that under section 235 there can be a penalty imposed on a taxpayer under the retroactive effect of section 221(2).

I am wondering whether we might insert a proviso within section 235 which would clearly eliminate any question of penalty. I admit the regulation would have to be effective, but there should be no penalty for an offence committed under a regulation before its publication, regardless of the effective date of the regulation. This is the point which bothers us in respect of this section. Is the parliamentary secretary prepared to accept an amendment? We would have to sit down and arrive at some careful wording here. However, that is the idea we want to get across. We want to eliminate any question of a penalty under the retroactive portion of the regulation.

Mr. Baldwin: Mr. Chairman, while the parliamentary secretary is considering these weighty words I wish to reinforce what my hon. friend from Edmonton West has said. I sat on the statutory instruments committee. Before the bill came into the House a lengthy report was tabled by the committee and accepted. Everyone spoke glowing words about it and said what a wonderful report it was. It was unanimous. There was complete agreement on all sides of the House.

I suggest one of the essentials upon which the committee founded its report was that regulations should not have a retroactive effect. I was not in the House when section 221(2) was passed. My friends were here and of course made their comments about it. I am sure had I been here I would have spoken very strongly indeed, because here we have a report from the committee on statutory instruments, which sat for some time, received a lot of guidance had the benefit of the experience of the United Kingdom and Australia and finally brought in a report saying unanimously that regulations must not be retroactive in effect.

Here we have the case of Parliament going one way in respect of a report of the committee of the House, and the government going in the opposite direction by ignoring it and trying to pass two trains on one track. This section has been passed and nothing can be done about it. However, there will be an opportunity for the scrutiny committee to do something. Perhaps the parliamentary secretary would try to light a little fire under the appropriate part of the anatomy of his respective ministers in order to get the committee set up.

I would feel a little safer and worry less about the taxpayers of this country if there were in effect today a parliamentary scrutiny committee charged with examining regulations passed and which, under the terms of the

Statutory Instruments Act and pursuant to the very definite mandate given by the committee to this House, would look at a number of things including whether or not regulations passed should have a retroactive effect. I know there are ministers in the cabinet, some members on the government side—I except a lot of people here, but not all of them—and people in the administrative services who are very anxious about what will happen when this committee is created, in respect of the sins of omission and commission which have been discreetly covered over but are contained in regulations, amendments to regulations, orders in council and amendments to orders in council which rarely, if ever, see the light of day. A lot of people are concerned whether a committee will ever be established under the Statutory Instruments Act to look into this matter about which my hon. friend from Edmonton West has spoken.

I see the Acting Prime Minister sitting over there. I do not wish to provoke him into debate. He has been very patient in listening to me and my hon. friends, and I hope he is learning something. But I should like him to stand up and say that before this session ends the government will establish a joint committee under the Statutory Instruments Act so that when we come to situations where regulations are passed pursuant to Bill C-259 which have a retroactive effect and under which retroactively people can be punished, fined or sent to jail, there will be a scrutiny committee to pay attention to governmental misdemeanours and, I hope, challenge the government and bring the matter back to Parliament for debate and reconsideration. That is the purpose of such a committee.

For months I have been attempting to get this committee established. We are prepared to deliver our list of nominees to this committee. An additional reason now is the bill before the House and the regulations which permit the government to do these things. These things might be done for the very best of reasons, but it is iniquitous, wrong and vicious to have a situation where a government can by regulation put people in a position where they will be punished by fine and/or imprisonment for having committed an offence prior to the enactment of the regulation. For this reason, if the government is not prepared to change this provision and accept the reasoned and logical arguments of my friends, I hope they will recognize the problem and be prepared to expedite the establishment of the statutory instruments committee for the purpose of looking at the problems created by this section.

• (8:20 p.m.)

Mr. Mahoney: First, I do understand that the Statutory Instruments Act has been proclaimed and will become operative on the first of next year. Therefore, any regulations that are likely to be passed under the act will be passed subsequent to the Statutory Instruments Act coming into force, and there is no reason of which I am aware to think that the regulations passed under this act will not be subject to the scrutiny that the hon. member for Peace River has indicated.

Second, we are most reluctant to concede that there is an opportunity under this bill to pass punitive regulations with retroactive effect, and for that reason we have no amendment to propose, However, I say very sincerely to the hon. member for Edmonton West and the hon. member for Parry Sound-Muskoka that if they have an amendment to propose to this section which would improve the position from their point of view and solve the problem as they see it, we will certainly look at it very seriously.

However, it is our position that any regulations passed under this legislation that would have a punitive effect on any taxpayer retroactively would be ultra vires of the delegated authority given under this bill. I want to make that very clear. That is the reason we do not want, by any amendment that we might offer, to imply that such regulations could indeed have any force and effect. However, I will await with interest any amendment proposed by hon. members and we will certainly consider it seriously. I think hon. members have acknowledged in their general comments that this is a complex problem. I would not be prepared to see their amendment voted on immediately it is proposed, but we will certainly look at it seriously and if it is not acceptable to the government we will have a reasoned argument for rejecting it.

Mr. Lambert (Edmonton West): I accept that there can be a need for section 221 (2), but where I do not want it to have effect is in a punitive section such as section 235 which we are considering. Therefore, I suggest on reflection that notwithstanding the fact that the road to Hades is paved with good intentions—and I know these are all good intentions of the parliamentary secretary—the punitive feature in a regulation would not be ultra vires of the fact; it would not impose an additional tax but it could be justified on the basis of the existence of section 221 (2) which gives full power to pass a retroactive regulation—and Parliament has consciously made a decision on that matter. Therefore, with regard to section 235 I move:

That subsection 235 (1) at page 547 be amended by deleting in line 22 the figures 221 and substituting therefor 221 (1).

Under section 221 there is all the power and specification of the type of regulation that can be made. Under section 235 there would be no penalty or retroactive feature because 221 (2) gives retroactive effect to a regulation. I know this will require some study but I make this motion, if it is accepted by the Chair, for consideration by departmental officials at the appropriate time.

The Deputy Chairman: Hon. members have heard the motion.

Mr. Mahoney: Certainly, we take no procedural objection to this amendment and unless there is further comment on the section we ask that it be stood overnight to permit the law officers to consider it and to give any legal advise that may be desirable.

The Deputy Chairman: Is it agreed that section 235 and the amendment be stood at this time?

Some hon. Members: Agreed.

Clause 1, section 235, stood.

The Deputy Chairman: The committee will now proceed with section 239, on which there is an amendment by the hon. member for Edmonton West.

On clause 1—section 239: *Offences.*

Mr. Lambert (Edmonton West): I do not think I need add much more on this section because we argued it at great length the other night and we argued it at considerable length this afternoon. However, I wish to reiterate some points for the great number of hon. members who are in the committee tonight. We are appreciative of the fact that the lash seems to have been imposed with effect last Thursday, and that gracing the House tonight are more cabinet members than we had during the question period. They are gainfully employed this evening.

I do not think there is one hon. member across the way who would want to be in the position of the minister who has to decide whether a taxpayer shall go to jail. The Minister of Justice, as Attorney General for Canada, has the right to do that under section 239 (2) because non-compliance with the act within the terms of the section is a matter of fact. Wilfully refusing to file a return demands a great number of actions under section 239. These are matters of fact. There is no question that there may be other than a finding of guilty or a plea of guilty, yet by the minister proceeding through the indictment route there is a mandatory jail sentence.

I put this case to anybody who has had any connection with the Department of National Revenue or the Department of Justice. Some time ago I had three years' connection with one of those departments. At that time it was the Minister of National Revenue who decided these matters, not the Attorney General. As soon as it became apparent to a taxpayer that the government was likely to proceed by the indictment route, you could bet your bottom dollar that the next morning a friend of a friend of a friend of the taxpayer was on the telephone to the minister, putting the pressure on him not to go by the indictment route because the individual involved would have to go to jail. I defy any member opposite to say he wants to be put in the position of a minister who is under pressure to decide whether a particular non-compliance with the act must result in the defaulting taxpayer going to jail.

• (8:30 p.m.)

My amendment would provide for proceeding by way of summary conviction with the judge, usually a provincial judge in these cases, having the power to impose a sentence of up to five years imprisonment, which is what is provided in section 239 (2). Already under section 239(1) the judge has power to impose a fine or jail sentence, or both, but the limit is two years. Surely to goodness it is elementary justice that there is only one instrument to sentence a man to jail, and that is sentence after a court hearing, by a properly constituted judge from whom there is an appeal. Under the indictment procedure there is a mandatory jail sentence and there can be no appeal except as to the length of sentence.

Is the Income Tax Act to be that tough? In many respects it is tougher than the Criminal Code. Is that the kind of law we are asked to pass in this so-called enlightened day, when the Minister of Justice and his colleague the Solicitor General are talking about a more enlightened correctional policy and a more enlightened administration of justice? It is said that we in Canada are sending too many people to jail, yet in this instance we are being asked to provide a mandatory jail sentence for a taxpayer.

[The Deputy Chairman.]

The quantum of the fine must also be considered. Section 239(1)(f) provides for "a fine of not less than 25 per cent and not more than double the amount of the tax" involved, and there is also the possibility of a sentence of up to two years in jail. I provide in my amendment for an option of up to five years in jail, which is the penalty provided for in 239(2), where presumably in the past there was a special penalty reserved for the really bad boys. Why does the minister have to make the decision that a man shall go to jail? Why is it he or his officials who decide, by choosing the compulsory imprisonment route? I object to that.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, if one stays around here a while he learns a lot of law, but I confess I have been finding the learning process in relation to this section a bit slow. I am not going to say anything to show my ignorance or to underline my difficulty, but I wish some of the lawyers in the House—and we have scads of them here tonight—would give a serious answer to the contention put forward by the hon. member for Edmonton West.

I confess that as I read the section it seems to me there still has to be a conviction by a court. In other words, it is the court that sends somebody to jail. Yet the hon. member for Edmonton West, who is a distinguished member of the Bar, has said a good many times that the way the act is set up it is the minister who decides that someone shall go to jail. If he is right, this is pretty bad. If he is not right, then I wish some of the distinguished members of the Bar on the other side would explain it. I am not trying to resolve the issue; I am just saying that as a neophyte in this area I would like to know what this argument is all about.

Mr. Mahoney: Mr. Chairman, I think the hon. member for Edmonton West is both overdramatizing and oversimplying the situation. It is not the Minister of Justice who decides whether someone will go to jail: that is a determination made by the courts.

What does happen is that the Minister of justice may determine in this particular case, as I understand he can in some others, that the matter is of such a serious nature that it should proceed by indictment rather than by summary conviction before a magistrate; in other words, that it must proceed by indictment to the Supreme Court. At that point the court must still decide, on the evidence presented to it, whether an offence has been committed and whether a conviction is warranted. Once the court decides that, then certainly this section does come into operation: it does provide a minimum penalty of two months' imprisonment. But it is not the Minister of Justice who determines whether a person is guilty or innocent, or what the penalty will be. That decision is the decision of the court.

Mr. Baldwin: Mr. Chairman, in any criminal offence there are two elements. First, there is the question of guilt, and on it the minister can have no concern. That is for the court to determine. The second element in any criminal offence is that of punishment. In the kind of society in which we live, the question of punishment really becomes of equal importance—and sometimes even more important, particularly in tax laws—than the question of guilt.

Here we have a minister of the Crown making a judicial determination.

• (8:40 p.m.)

The minister of the Crown may say, "In my opinion and in my administrative capacity I have decided that the offence this person is to be charged with is so serious that it warrants a penalty of so many months or years in jail." That is a judicial determination. No minister and no administrative official should have that power. I agree that in evaluating whether the gravity of the offence and the surrounding circumstances warrant a man's going to jail is something that should be determined by a court. However, in this case the court has no alternative; the man must be sent to jail as a result of an administrative decision by the minister. I think that is a very simple point and I hope my friend from Winnipeg North Centre sees that distinction.

I saw that the hon. member for High Park, who is a lawyer of no mean distinction, was quite interested in this question and I would be glad to hear his opinion on it. I am sure he has the welfare of the ordinary person at heart and I think he will agree with me. I know that at one time he had some ideas about the right of a minister to make decisions of this kind. He might be willing to agree with me now or when a vote is called.

Mr. Macdonald (Rosedale): Would the hon. member permit a question?

Mr. Baldwin: Yes.

Mr. Macdonald (Rosedale): It is widespread practice under the Criminal Code, and it was at the time the hon. member's party formed the government, that you have this choice of proceeding by way of indictment or summary conviction. Is the hon. member suggesting that this choice ought to be taken out of the criminal statutes?

Mr. Baldwin: Each one to be considered on its merits. When this government brings before us the Criminal Code for general review, I think we will eliminate a lot of this problem.

Mr. Macdonald (Rosedale): In all cases?

Mr. Baldwin: No, but in many cases. It should not be an administrative decision. If there were ever any ground for it, it certainly should not be a Liberal government that has to make the decision.

Some hon. Members: Oh, oh!

Mr. Macdonald (Rosedale): What the hon. member is saying is that with regard to some offences under the Criminal Code he would leave the choice in there, but for middle-class crimes such as income tax the hon. gentleman does not want his friends to go to jail.

Mr. Baldwin: Does the hon. gentleman not recognize that with regard to punitive sections, so far as tax penalties go there is a difference. The rigid liquor control laws failed at one time in some parts of Canada for that very same reason—these alternatives were not given. We often find that when the state is involved and is worried about its revenues, it would much rather send a man to jail for five years than impose a penalty more in line with that imposed for a similar criminal offence. This is a red herring, and the Minister of National Defence is a man of red herrings: he holds that distinction.

Some hon. Members: Oh, oh!

Mr. Baldwin: This is a red herring, and it is a very ancient one because it smells mouldy.

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

Mr. Baldwin: Yes, if it is a better question than the one asked by the Minister of National Defence.

The Deputy Chairman: Is the hon. member for Hamilton-Wentworth rising on a point of order?

Mr. Gibson: I wonder if my friend would permit a question.

Mr. Baldwin: I hope it is a better one than the last.

Mr. Gibson: Without trying to score a debating point, and with respect, I wonder if my hon. friend is familiar with the decision of the Ontario Court of Appeal which recently decided an issue of this kind under the Bill of Rights. The discretion of the Crown was challenged because the Attorney General, through the Crown Attorney, was given the choice of proceeding by way of indictment or summary conviction in the case of Regina v. Smyth, who is now deceased. In that case the Court of Appeal came to the conclusion that despite the fact there was a more severe penalty by indictment than by summary conviction, the Crown had always had discretion to choose which form of prosecution it would use. I wonder if my friend is aware of that? If he had read that case he might have a different view.

Mr. Baldwin: That was a judicial interpretation. The judges were saying what the law was, but I am saying what the law should be. I think it is time we got away from the position where we are putting rights of this kind in the hands of ministers of the Crown.

I go back to what my friend the Minister of National Defence said. There may be some circumstances under the Criminal Code where this discretion is necessary, but very few. I should like to see a complete review of the Criminal Code so that this improper discretion would be eliminated. This authority should not rest with administrative officials. If we have courts, if we have judges, if we have juries and give this right to them, we should not leave it in the hands of a minister. I would not want to see it in the hands of a minister who formed part of a Progressive Conservative government any more than I would want to see it in the hands of a minister who formed part of the Liberal government. I say nothing about my friends to the left because they will never form a government, so I do not need to worry about that.

Some hon. Members: Oh, oh!

The Deputy Chairman: Order, please.

Mr. Baldwin: Hon. members may laugh at this, but the time is coming when the people of this country will look askance at this kind of authority being given to a government to exercise its discretion. It is wrong and I think it is

time we stopped it. I am glad my hon. friend from Edmonton West raised this question and that we have a chance to make these points. I do not know whether we will have any amendments, but I suggest to my friends on the other side that they should look very seriously at this as a matter of principle as well as with respect to this particular issue.

The Deputy Chairman: Does the hon. member for High Park wish to ask a question?

Mr. Deakon: Mr. Chairman, with all due respect to the hon. member for Peace River and the hon. member for Hamilton-Wentworth, I still ask, why does the Crown have the authority to choose which way we will proceed? It is wrong because that is imposing one law on one group of citizens and another law on another group. I agree with the hon. member for Peace River in this regard.

Mr. Mahoney: That is the best argument I have heard today.

Mr. MacKay: Mr. Chairman, it seems to me that we are getting into a philosophical question. I listened to some of the comments and would suggest that what we are doing in some instances is putting this income tax legislation above the Criminal Code. That is what troubles me. I wish to give only one example in this generally related group of sections. Section 243 says, "notwithstanding the Criminal Code or any other statute". It seems to me that this is a bad thing.

Another point along the same lines has been advanced from time to time by other hon. members, including the hon. member for High Park. I agree with his philosophy. In section 244 there is another example. Any criminal lawyer knows that there are certain defences open to an accused when an information is defective on its face. In this income tax legislation we see again that it does not make any difference how deficient, negligent or inappropriate an information may be, or how it is drawn—there is no way an accused can have the benefit of counsel pointing this out, under section 244. I realize that we are talking about section 239 but it is all part of the same question.

It seems to me that we are getting into a situation where we are putting this proposed Income Tax Act above the Criminal Code. I think this is a fundamental matter and I do not think it is in the best interests of Canadians to have an act which is dictatorial and coercive to the extent this act appears to be, and above the Criminal Code.

• (8:50 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I confess I am still thinking out loud and pursuing my study of the law. The remarks which have been made recently remind me that the criminal law of Canada is not, as I have been told a number of times, confined to the Criminal Code. As I understand it, a person stealing a loaf of bread or a few dollars is dealt with under the Criminal Code. It could be that here we may deal with people who defraud the country, that is the people of Canada and the treasury, of thousands of dollars because they make false entries, destroy records and do that kind of thing. Is not that kind of thing as much a crime as stealing a loaf of bread, stealing clothes from a store or stealing a few dollars?

[Mr. Baldwin.]

Mr. Guay (St. Boniface): We are with you, Stanley.

Mr. Mahoney: We are presenting a united front.

Mr. Knowles (Winnipeg North Centre): Since the parliamentary secretary a moment ago, after the hon. member for High Park had spoken, said that was the best argument he had heard from the other side, I am beginning to wonder if I am on the wrong track.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): My friend from St. Boniface says I am on the right track, and that makes me wonder. Mind you, it is confusing seeing that phalanx of Liberals on the other side of the House. I think my friend from Edmonton West and others who have adopted his view raised something we should not overlook, the placing of dictatorial power in the hands of ministers. I do not know where my friends of the Conservative party were when we were complaining about the crackdown on some people who had broken the Unemployment Insurance Act. We felt that just as much effort should be made to make sure people get what they are entitled to as to catch people who commit an offence. Here we are dealing with very much wealthier people, with people who can save a great deal by defrauding the treasury.

An hon. Member: In many instances they are small businessmen.

Mr. Knowles (Winnipeg North Centre): The hon. member says that in many instances they are small businessmen. Often, they are even smaller than that. From my reading of section 239, there is a long list of pretty serious crimes for which you could be penalized—crimes like false entries, deception, the burning and destroying of records and wilfully doing everything possible to avoid paying what is owing to the people of Canada.

An hon. Member: And destroying ballots.

Mr. Knowles (Winnipeg North Centre): Destroying ballots? It is in Newfoundland where they destroy ballots. All these crimes I have enumerated are pretty serious crimes. There seems to be a choice as to penalties that will be imposed if this law is broken. If someone is convicted, he is liable, on summary conviction, to pay a fine of not less than 25 per cent and not more than 200 per cent of the tax that was sought to be evaded. If a little fellow is involved and the amount of tax is small, perhaps no great sum will be levied, even though he has committed a serious crime.

However, as I see it, in cases where there is a wholesale defrauding of the public treasury that runs to thousands or millions of dollars, it is proper for the law to say that in such cases action can be taken by way of indictment. I said when I began that I was trying to learn what this is all about. I have been listening to the hon. member for Edmonton West and those on the other side and I am glad that my questions have produced comments both ways. It seems to me that we must provide for penalties and for people to be taken to court for the crime of defrauding the treasury of Canada, in the same way as we have made provision for those who have stolen a few things from a store and I gather that that is what this section provides.

Mr. Lambert (Edmonton West): Mr. Chairman, it appears that some hon. members have not read section 239(1). The Minister of National Defence has suggested that we are trying to protect the big fellow. I did not know he was interested in law of this kind since I understood he is more interested in international law, as he told a gathering of people the other day. I suggest to hon. members, and particularly to the hon. member for Winnipeg North Centre and the hon. member for Winnipeg North who is sitting with him, that section 239(1)(a) deals with the little fellow who has been moonlighting and fails to disclose that he earned money on the side. That is not a big fellow. The section provides:

Every person who has

(a) made, or participated in, assented to or acquiesced in the making of, false or deceptive statements in a return—

Those last words refer to an understatement of income. A return like that would be a deceptive return. I do not care what the source of the income may be. The offence may be a failure to disclose dividends—and some think that failing to disclose them is all right, unless you are caught. If you are, the law will deal with you. It could be that a farmer has understated his returns from the sale of cattle, wheat or what-have-you from his farm, or that a small businessman has understated his sales or overstated his costs, that is, his purchases, has understated his inventories or has two sets of books with regard to receivables. That would be an offence under subsection (1). Subparagraph (b) of subsection (1) provides:

(b) to evade payment of a tax imposed by this act, destroyed, altered, mutilated, secreted or otherwise disposed of the records or books of account of a taxpayer—

This refers to a man who may have altered his payroll accounts. He might be a small contractor and he might have padded his payroll account in order to inflate his expenses. That is an offence under the act. Or the man may have—

(c) made, or assented to or acquiesced in the making of, false or deceptive entries, or omitted, or assented to or acquiesced in the omission, to enter a material particular, in records or books of account of a taxpayer—

Of course, he is the taxpayer. Again, the same sort of thing is involved—payroll padding, record falsification, inventory inflation and doing all sorts of other things to your records. Are these offences necessarily the prerogative of the middle-class or the well-to-do? That is what the Minister of National Defence suggested. I suggest to him that the number of prosecutions or threats of prosecution under section 239 will fall more on the smaller categories of taxpayer because they are far more numerous than the well-to-do. The penalty for the offence is a fine of not less than 25 per cent of the tax sought to be evaded and not more than 200 per cent of the amount of that tax. That penalty is imposed on summary conviction plus, if necessary—

• (9:00 p.m.)

[*Translation*]

Mr. Leblanc (Laurier): Mr. Chairman, I rise on a point of order.

The Deputy Chairman: The hon. member for Laurier (Mr. Leblanc) on a point of order.

Mr. Leblanc (Laurier): Mr. Chairman, it may not be a point of order, but I would like to ask a question to the hon. member for Edmonton West (Mr. Lambert), if he allows me to do so.

Mr. Lambert (Edmonton West): Yes, Mr. Chairman.

The Deputy Chairman: The hon. member knows that he does not have to rise on a point of order, but with the permission of the hon. member for Edmonton West (Mr. Lambert), he may ask him a question.

Mr. Lambert (Edmonton West): Agreed, Mr. Chairman.

Mr. Leblanc (Laurier): If the hon. member for Edmonton West is willing to answer my question, I would like to obtain some explanations.

I did not completely understand a while ago, when he pointed out that a 200 per cent penalty was levied and I would like him to repeat his statement, so that I may try to understand how he can arrive at 200 per cent, because section 239(1) reads as follows:

(f) a fine of not less than 25 per cent and not more than double the amount of the tax—

Now, I find it hard to understand how the hon. member can arrive at 200 per cent.

[*English*]

Mr. Lambert (Edmonton West): It seems to me that the explanation—

[*Translation*]

—that the explanation be clear enough. Doubtless, taxes must be paid. The hon. member is aware of this. One must, first, pay the tax. Furthermore, following a summary conviction. a magistrate may impose a fine of at least 25 per cent and at most double the amount of the tax. Double, as I see it, is 200 per cent! One hundred per cent of the tax is the whole tax and double the tax is 200 per cent.

So—

[*English*]

—double the amount of the tax that was sought to be evaded. If the tax that was sought to be evaded was $1,000, the fine could be $2,000. The tax is also recoverable there. In all, the total penalty to the taxpayer would be $3,000. He would have to pay the tax he sought to evade. They would collect that. Then there is a fine of double the amount of the tax, 200 per cent, in addition to which there can be imprisonment of up to two years. However, for all the offences listed under subsection (1) discretion lies with the Attorney General of Canada, because line 3 of page 550 reads:

—at the election of the Attorney General of Canada, be prosecuted upon indictment and, if convicted—

The proof would be the same as it would before a magistrate. However, if a man had altered the books and in the investigation admitted that he had done so, there is no question that he would be found guilty. The evidence will be there. He must then go to jail for at least two months. There is a maximum of five years. If you want to read further, go to section 243, which clearly states:

Notwithstanding the Criminal Code or any other statute or law in force on the 30th day of June, 1948, the court has in any

prosecution or proceeding under this act, no power to impose less than the minimum fine or imprisonment fixed by this act and the court has no power to suspend sentence.

That means there is a mandatory jail sentence; the man has to go to jail. It is that to which I object. There might be a little more consideration of this matter. If it is agreeable, I suggest that we stand this section and go on to others. We are at a bit of an impasse, and we might make some progress on other sections. If we stand section 239 perhaps it would be as well to stand section 243.

Mr. Mahoney: Agreed, Mr. Chairman.

The Deputy Chairman: Is it agreed that sections 239 and 243 be stood at this time?

Some hon. Members: Agreed.

Clause 1, sections 239 and 243 stood.

Clause 1, section 240, agreed to.

On clause 1—section 241: *Communication of Information.*

The Deputy Chairman: I do not wish to press the committee, but I hope hon. members will find their way through these sections which may have implications.

Mr. Baldwin: I wish to ask the parliamentary secretary a question about section 241. It is an interesting section on which we had varying legal decisions some time ago as to the communication of information and the extent to which a criminal or civil court might call upon officials to give evidence. These are just repetitions of sections which are in existence.

In light of those decisions, can the parliamentary secretary give us an indication of the present position in case we want to make alternative suggestions? I admit I have not read recent decisions regarding officials of the department being called upon by the courts to provide information in either criminal or civil cases. We would like to know the facts.

Mr. Mahoney: Mr. Chairman, officials of the Department of National Revenue have absolute privilege in civil cases. With regard to criminal cases there is an exception which is embodied in subsection (3). Other acts have been changed throughout the years to make provision for the kind of evidence that can be called into court. In civil cases, the privilege provided by subsections (1) and (2) of section 241 is absolute. The hon. member will note that in subsection (3) there is an exception that deals with criminal cases and with cases of a criminal nature relating to the administration of this particular act.

Mr. Baldwin: It must be related to the Parliament of Canada.

Mr. Mahoney: It must be related to federal offences, not provincial offences.

• (9:10 p.m.)

Mr. Lambert (Edmonton West): I am wondering whether section 241(1)(a) has been related to some of the other acts which are in force. I have in mind especially the new Statistics Canada Act under which powers are granted to certain officials of Statistics Canada to examine income tax returns in order to compile statistics. There may be other statutes under which similar powers are given—the Corporations and Labour Unions Returns Act, for instance. The governing words in the bill before us are "except as authorized by this act," meaning the Income Tax Act. There appears to be a very strict limitation on the officials of the Department of National Revenue preventing their communicating any information obtained on behalf of the minister. We read here:

Except as authorized by this section, no official or authorized person shall . . . knowingly communicate or knowingly allow to be communicated to any person any information obtained by or on behalf of the minister for the purposes of this act.

That is a very sweeping restriction designed to secure secrecy of information. Then we come to subsection (2) which provides:

Notwithstanding any other act or law no official or authorized person shall be required to give evidence in connection with any legal proceedings.

That is a limitation. However, subsection (3) says that notwithstanding what is said in subsections (1) and (2) this restriction does not apply in the case of criminal proceedings. A further exception is made in subsection (4). An official or authorized person may communicate information in the course of his duties to other official or authorized persons in connection with the administration or enforcement of the act, that is to say, the Income Tax Act. Then, under subsection (6) provision is made for an appeal from an order of a court requiring an official or authorized person to give evidence, and so on. There is provision for stays of orders, offences are described and penalties proposed for officials of the department who wrongfully disclose information in their possession and, finally, there is a subsection which deals with definitions. Here we find definitions of "officials", "authorized persons," and so forth.

Knowing that the Statistics Canada Act which was discuseed in this session of Parliament includes specific provision for information to be given, I am somewhat surprised that the section does not appear to authorize employees of the ministry of national revenue to communicate this information. There is no doubt that officials of Statistics Canada are allowed access to information from income tax returns and to examine them as a class. This is one exception to the limitations imposed on communication, and there may be others, in which case the section before us may have to be amended. In any case, there are too many "notwithstandings" in it, and even so it may be that the language used is too restrictive to enable the purposes which Parliament has approved to be carried out.

Mr. Mahoney: Perhaps I might elaborate on the answer I gave earlier to the hon. member for Peace River and point out that the privilege attached to information here extends even to civil courts. That type of evidence cannot be given in civil appeals concerning income tax assessments, and so on, even though the Minister of National Revenue may be a party to the case. The privilege is absolute in relation to what officials may disclose.

As to the specific point raised by the hon. member for Edmonton West, I think that if all the provisions of subsection (4) were compressed they would read something like this, "An official or authorized person may communi-

cate or allow to be communicated information obtained under this act to any person otherwise legally entitled to receive it." The Statistics Canada Act does authorize officials of Statistics Canada to receive for their particular purposes the type of information that is referred to.

Mr. Baldwin: Is an authorized person defined in the interpretation section?

Mr. Mahoney: The definition appears in the Statistics Canada Act.

Mr. Baldwin: Is there a definition in the interpretation subsection relating to section 241?

Mr. Lambert (Edmonton West): I think the present language does not cover the situation. For the purposes of clarity it might have been better and more helpful to the lay person, or even for those who are trying to examine this legislation, if it had been spelled out in the bill before us and an authorized person described. There is nothing in the Income Tax Act which tells us clearly who is a person legally entitled to this information.

Is a lawyer who is advising a client obliged to comb all the Statutes of Canada in order to find out who is authorized to get this information? We know that certain people from the Department of Justice would be legally entitled to have access to this information. I would hope the minister might agree to putting a better definition into the Income Tax Act itself. Otherwise we are doing a disservice to the public who must rely on this legislation.

The parliamentary secretary says the information can be given to those who are legally entitled to have access to it. But who are these people? We do not know. It is necessary to look at some other act or at a number of other acts in order to find out. I confess I do not think it is helpful at all.

The Chairman: Shall section 241 carry?

• (9:20 p.m.)

Mr. Lambert (Edmonton West): I wonder whether the parliamentary secretary and the officials would make a distinct note of this so that in due course we might have an amendment to clarify this point, or are we to rely on the jargon of the income tax department or the Income Tax Act in order to enlighten the public?

Mr. Mahoney: We will certainly consider the suggestion. I am not sure it would achieve the simplification of the Income Tax Act which members opposite have been advocating with some considerable force in the past few days, but certainly it is a serious suggestion and we will give it consideration.

Clause 1, section 241 agreed to.

On clause 1—section 242: *Officers, etc., of corporations.*

Mr. Lambert (Edmonton West): I have one or two comments on this section, Mr. Chairman. In case people are not aware of this particular provision—and there is indication that the Minister of National Defence is not aware of it—any directors of companies, whether large or small, if they participate in or acquiesce to the falsification of corporate records, and presumably these are the so-called privileged class, notwithstanding whether the corporation has been prosecuted or not are liable to be charged with an offence. They would follow the fate, shall we say, of section 239. So if you are a single individual or a director of a company, and there has been non-compliance with the act—an attempt to evade or defraud—it matters little because the penalties will be the same.

Clause 1, section 242 agreed to.

The Chairman: The Chair understands section 243 has been stood.

On clause 1—section 244: *Information or complaint.*

The Chairman: There is an amendment to this section by the Minister of National Revenue.

Mr. Aiken: Mr. Chairman, has the amendment been put? Frankly, I do not know where it fits into section 244. I wonder whether we might be enlightened on this.

Mr. Baldwin: Could the amendment be read?

Mr. Mahoney: It might be, but not by me. The amendment is to the French version of the text only and is to ensure that the wording of subsection 18 of section 244 conforms to the wording in the subsection 17 in the French version.

Amendment (Mr. Gray) agreed to.

The Chairman: Shall section 244 as amended carry?

Mr. Lambert (Edmonton West): Mr. Chairman, I want to reiterate the point made by my colleague from Central Nova that while there are certain procedures under the Criminal Code whereby an individual is protected if there are difficulties in respect of deficiencies in the charges or whatever procedure has been laid out for laying a charge, under the Income Tax Act one can be almost as loose as a goose, to use a trite phrase: however, I believe it puts the point across.

No information or complaint can be called in question for lack of authority of the informant or complainant except by the minister or the one acting on behalf of Her Majesty. In other words, the dice are loaded. If the taxpayer has been charged under an improperly filed information or an incomplete information, that matters not; he cannot challenge it. The only one who can challenge the type of information is the Crown. The taxpayer has the dice loaded against him. Why is it that a taxpayer under these circumstances should be less than a citizen appearing in a criminal court? The parliamentary secretary might like to explain that. Why should a taxpayer be placed in this position?

The taxpayers are the citizens of this country. They are not a group of people who are to be pushed, bullied, plucked, shorn or the subject of slipshod procedures or injustices. We already know that in so much of this act in the past the onus has always been on the taxpayers. A taxpayer had to prove that he was not guilty or that he did not have to pay the tax. Some changes should be made in the administration in this regard. I hope this will be the case.

Just who are the taxpayers of this country? They are the constituents of all hon. members, including the minister and the parliamentary secretary. Yet when it comes to paying income tax, every citizen is supposed to be deemed

to be something less than a whole individual. Why does that have to be the situation under the Income Tax Act? The stature of the individual is recognized in other statutes and he knows his rights. But under the Income Tax Act his rights are diminished.

What is so holy about income tax that this should be the situation. On whose behalf is this act? Is there something sacrosanct in respect of the government or the Crown or the provinces with regard to income tax vis-à-vis the citizen? Why do they not hold a gun to his head and empty his wallet? Most people feel they do this anyway. Under the Criminal Code, certain standards are applied concerning the rights of the individual. However, when it comes to the Income Tax Act these rights disappear very quickly.

An hon. Member: Why should they?

Mr. Lambert (Edmonton West): I do not know why. It seems to me there is an entirely wrong philosophy about this. I do not know why the citizen should be any less under the Income Tax Act than he is under the Criminal Code or under any other statutes which establish his responsibility to the state. But in so far as the Income Tax Act is concerned he counts for less than a human being.

• (9:30 p.m.)

Mr. Gibson: Mr. Chairman, I do not often agree with the hon. member for Edmonton West, but I think that some of the things he said tonight reflect my feelings.

Mr. Baldwin: The hon. member for Edmonton West is usually right.

Mr. Gibson: I did not hear the snide comment of the hon. member for Peace River who is sitting there reading the newspaper in the front row.

Mr. Baldwin: Mr. Chairman, I rise on a point of order. The hon. member said I was reading the newspaper. He knows I never read newspapers in the House, particularly if he is speaking. I was reading my own speech. I find it is a good speech and I wish it had been a little longer.

Mr. Gibson: If so, I withdraw my comments. But I agree with the hon. member for Edmonton West who has pointed out with some force some of the inequities in the penalty provisions of the Income Tax Act, particularly some of the almost vicious and cruel limitations on the judge or magistrate to reduce the fine and to allow a suspended sentence. I can remember cases I fought where rather weak characters appeared in court after having made some bad mistakes as a result of a disaster in the family and who, through desperation, had fallen afoul of the law. The judge had said, "I wish I could give a less severe sentence".

I do not see, as the hon. member for Edmonton West said, why we cannot relax the regulations and give discretion to judges to take the sting out of some of these vicious fines which are often more severe than the fines imposed by vicious loan companies. I think there is much merit in what he said.

Mr. Aiken: Section 244, which is very long, is an important section of the bill and most of it is in the original act. But I think comment should be made about a couple of the subsections. Anyone who has tried to defend a person charged under the Income Tax Act has found that the procedures under section 244 weigh very heavily in favour of the Crown. The methods of proof are very easy for the Crown but difficult for defence counsel to meet. I do not say that that is necessarily bad. I will point out one particular section on which I would like to have an explanation.

The first few subsections permit the Crown to prove their case against an individual for failure to file, or for a similar offence, by affidavit. Under this section it is sufficient for them to file an affidavit which purports to have been signed by a person who purports to be an official in the minister's office in charge of the records. It has always been difficult for a defendant to prove the negative. The Crown has proven that a notice was mailed out to an individual and that according to the records of the department there was no reply. These two pieces of information added together automatically make the person guilty. Some clerk or secretary in the minister's office signs an affidavit that he is in charge of the records and that according to the records a person was given registered notice on a certain date, but that according to the records there was no response. Under the act that person is guilty of failure to file.

I see that subsection (18) of section 244 seems to give the taxpayer something of a break. I do not have the original act with me, but the note shows that subsection (18) is former section 136 (15) modified. I should like to have it clarified for my own satisfaction in what manner this previous situation has been modified. It seems to me that where formerly the taxpayer was deemed to be guilty, now at least he has a chance of going before a magistrate and saying that he mailed a return and can show a copy of it. The magistrate can then accept the fact that he has filed a return. Yet subsection (18) seems to deal only with proceedings under division J of part I, and I am wondering whether this might raise a defence for the accused person to counteract the heavy onus that is laid on him in the earlier subsections of section 244.

I hope I have made myself clear. I hope that under this amendment the taxpayer will be given a break, and if he is, I think it is a good amendment.

Mr. Mahoney: The modification to the section about which the hon. member has inquired is a deletion of the reference to division I in the original act. That is the only change to the section.

Mr. Aiken: Therefore my hopes have been dashed and the taxpayer does not get a break.

Mr. Mahoney: I should explain to the hon. member that under the revision the old divisions I and J are combined and are found entirely in division J of the bill. So there is no change despite the modification.

Mr. Aiken: I thank the parliamentary secretary for that answer. I had hoped there had been an improvement in the situation. This leaves me with the comment that the procedure set out in section 244 is heavily weighted against the accused person. There are many people who have received notice to file a return. They mail it not by registered mail and then the department claims they never received it. The person claims that he did mail it but

it must have gone astray. In many cases this is considered to be a lot of hot air by magistrates, but in some cases magistrates and provincial judges are inclined to accept the excuse. I do not think we can hope for a further amendment on this. So far as I know, judges and magistrates have been reasonable. If a person comes along with any excuse at all, in most cases they hesitate to convict.

I should like to go back for a moment to subsection (4) of section 244 which relates to limitations of prosecutions. There is a five-year limitation under this section, which I think is reasonable. But the part which seems unreasonable to me is the exception, which provides:

> An information or complaint . . . may be laid . . . within one year from the day on which evidence, sufficient in the opinion of the minister to justify a prosecution for the offence, came to his knowledge—

• (9:40 p.m.)

It seems to me that according to this provision there is no limitation on the time in which a charge can be laid. I would like to ask the parliamentary secretary if there are any cases in which this section has been used, where prosecutions were brought after five years by reason of certain facts coming to the attention of the minister and, if there are such cases on record, were they anything other than cases considered to be straight fraud?

Mr. Baldwin: While the parliamentary secretary is thinking about that question, on the same section he might answer a point that came to my mind when I read it. Is the knowledge of the officials of the minister deemed to be constructive knowledge of the minister? In other words, let us assume the officials in the department had knowledge which in their opinion justified prosecution but the minister was not acquainted with it. As a lawyer, the parliamentary secretary will realize what I mean. Is the constructive information in the hands of the department presumed to be information within the knowledge of the minister, and does the time of one year run from then?

Mr. Mahoney: Mr. Chairman, the minister, of course, has constructive knowledge of anything his officials have knowledge of, and that is the date from which the time runs, not from the time it necessarily comes to the personal attention of the minister.

I am afraid there is no real answer to the question raised by the hon. member for Parry Sound-Muskoka. The section says exactly what it does say. It is possible that prosecutions could arise other than in cases of fraud or misrepresentation, although I am not aware of any charges having been laid after the five-year period.

The Chairman: Shall section 244 as amended carry?

Mr. MacKay: I would like to ask the parliamentary secretary this question: Is not the effect of subsection (4) simply to say that the minister has knowledge when he says he has knowledge because, by the language implicit in that subsection, there is no way in which the minister's certificate can be disputed? If that is the case, why have it in there?

Mr. Mahoney: If it were not in there, certainly his certificate could be disputed. That is why it is there.

Mr. MacKay: Should there not be some equitable way in which such a certificate could be disputed? There may be a very real possibility that the minister would not have knowledge within the ambit of the intent of the section. If it is absolutely impossible ever to dispute the minister's certificate, what is the point of this?

Mr. Aiken: Mr. Chairman, I rise on a point of order. If there is no more debate on section 244, I see no reason why it should not be passed and, if it is passed, we have completed this group of sections and would have to proceed to a new part of the bill. I understand that the Minister of Transport has a statement to make. May I suggest as a matter of procedure that after we have completed section 244 we should revert to motions for the minister to make his statement and for hon. members to reply to it?

Mr. Mahoney: That procedure is quite acceptable, Mr. Chairman. However, there was one question that the hon. member for Parry Sound-Muskoka asked earlier today with regard to section 231 and I now have the information for him. I may add that I understand that tomorrow we will start to deal with the co-ops and credit unions, and when that subject has been exhausted we will go where the good Lord takes us around the rest of Bill C-259.

Mr. Burton: May I ask the parliamentary secretary if it is his intention tomorrow just to deal with sections 135, 136 and 137, or will we also be dealing with sections 56 and 58?

Mr. Mahoney: It would seem sensible to me that we should deal with 57-1 and 58 as well as sections 135, 136 and 137.

Mr. Knowles (Winnipeg North Centre): Agreed.

The Chairman: Shall section 244 as amended carry?

Mr. Lambert (Edmonton West): On division.

Clause 1, section 244, as amended, agreed to.

Mr. Jamieson: Mr. Chairman, I understand there is agreement among all parties to allow us to revert to motions for a brief moment because of a statement I would like to make.

Mr. Mahoney: Before we do that I have one bit of information that I promised the hon. member for Parry Sound-Muskoka. Under section 231 I am advised by the Department of National Revenue that normally they will allow a 30-day period. However, sometimes they specify either 45 or 60 days if it is expected that the matter is very complex. Thirty days seems to be the minimum.

The Chairman: Is it the wish of the committee that in accordance with the suggestion of the Minister of Transport I should rise, report progress and request leave to sit again at the next sitting of the House?

Some hon. Members: Agreed.

Progress reported.

ROUTINE PROCEEDINGS

AUTOMOBILE SAFETY

GENERAL MOTORS—RECALL OF CERTAIN VEHICLES FOR INSPECTION AND REPLACEMENT OF POSSIBLE DEFECTIVE PARTS

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I was advised late this afternoon, too late for a statement on motions today, with regard to a communication which my office received from General Motors of Canada. I feel it is important that this announcement be made immediately and that it be made in the House.

I want to recommend that all Canadian owners of vehicles involved in the current recall campaign of General Motors of Canada return their vehicles to authorized dealers for inspection and installation of an engine movement restraining device. The notification by General Motors of Canada involves Canadian owners of approximately 600,000 1965 through 1969 regular size Chevrolets and Novas as well as 1967 through 1969 Camaros and certain light trucks, which include some GMC models with similar V8 engines. No Chevelles, Corvettes or six-cylinder models are included in the company's campaign.

I note that General Motors Corporation agreed to initiate this campaign as a result of intensive investigations in the United States and Canada by the company and by officials of the U.S. Department of Transport and of our own ministry of transport. General Motors plans to begin notifying owners by mail as soon as current owners' names can be obtained from Canadian vehicle registration records and as soon as parts can be produced and delivered to dealers.

At very low speeds and heavy throttle, engine-mount failure might result in lifting of the engine and consequent interference with the throttle mechanism. Symptoms of this condition may include momentary sticking of the accelerator pedal, possible transmission shift to neutral, and interference between the engine fan and radiator or fan shroud which would result in a loud noise. Throttle interference could contribute to an accident.

General Motors of Canada have advised me that the engine movement restraining devices should be available at Chevrolet dealerships in the latter part of February. I also note that only in rare instances does engine lift involve the throttle and become a problem following engine-mount separation. I advise that if vehicle operation should be affected by engine-mount separation, the driver should turn off the ignition key and brake the vehicle to a stop. I particularly urge Canadian owners of affected vehicles who have already experienced engine-mount failure to have their vehicles checked and ensure that the restraining devices are installed as soon as available.

• (9:50 p.m.)

I should like to add that I appreciate the co-operation of General Motors in carrying out this program in our country and the fact that they have moved voluntarily.

Mr. Mac T. McCutcheon (Lambton-Kent): I should like to take the opportunity of thanking the minister for his announcement and his interest. This announcement reinforces my belief that most large corporations are interested in the welfare of their customers. Had they not been, I submit they would not have become large corporations notwithstanding the continual sniping from certain consumer advocates and advisers. Notifying 600,000 customers by mail has meant a sizeable expenditure for General Motors. In any event, with a view to safety one can take comfort from the fact that the defect is likely to be a minimal cause of accidents.

I commend the minister and the corporation, and heartily endorse the recommendation that customers avail themselves of this service.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should first like to thank the minister for at least making the statement in the House and not to the press outside the Chamber. I think he is to be commended for that. As we look at the models involved we are speaking about a period from 1965 to 1969. This further points out that we must have a militant and imaginative department to look after the consumer. If we are concerned about consumer protection, we should be moving in the direction of safety regulations.

When you look at the statement made, General Motors is telling us that we have been riding around on a bomb since 1965. I wonder how many cases have come to light where the driver has been charged with responsibility when in fact it was a defect of mechanism. I think it is good that General Motors is recalling these cars. At the same time I would urge the minister to set up strong safety regulations for some type of testing by the department. The consumer in this country is entitled to good protection and this can only be assured through safety regulations. We know that some of our regulations are imported from the United States. We may have added some, but we must take this duty upon ourselves and the government must assure the consumer that safety is a prime concern.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, may I be allowed to sincerely congratulate the minister who took the initiative of advising the Canadian people of what General Motors has revealed to him today.

I myself learned this morning the decision of General Motors to recall over 6 million vehicles in North America, over 600,000 of them in Canada. To my mind, this was a gratifying decision because it will protect the consumer to a certain extent.

It will also give this large company the opportunity to check its production methods so that, in the future, it might spare its customers the inconveniences they are now experiencing.

I therefore urge the minister to continue warning people against problems as serious as those the purchasers of General Motors vehicles are now up against.

Adding my voice to that of the minister, I urge Canadians to take advantage of the services offered by General Motors for the correction of the mechanical defects that might crop up.

[*English*]

Mr. Aiken: Ten o'clock.

Mr. Deputy Speaker: Is it the wish of hon. members that the Chair call it ten o'clock.

Some hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AIRPORTS—HAWKESBURY—ACTION TO REMOVE POSSIBLE SAFETY HAZARD CREATED BY CANADIAN NATIONAL RAILWAYS

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, a matter was brought to my attention recently by the Canadian aircraft owners and pilots association which prompted me to question the Minister of Transport (Mr. Jamieson) regarding aircraft operation safety at Hawkesbury airport. As a pilot of some years standing, I am perhaps more receptive to representations from the flying fraternity than those who have never been involved in making decisions from an operator's viewpoint. In this particular instance I feel that the members of a certain flying organization have been dealt with somewhat arbitrarily and I would like to present their side of the case.

The Montreal Soaring Council has operated for more than 15 years out of an airfield located at Hawkesbury, Ontario. This location was chosen, as airports must be, with regard to wind factor, suitable terrain, existing obstructions, etc., all viewed necessarily with safety of the operation as a prime factor. The Hawkesbury location has proved admirable in this respect and over 4,700 flights have already been logged in 1971. With increasing use of the existing licensed runway, expansion is of immediate concern and additional runways have already been planned for construction during 1972 and 1973.

In August of this year the Montreal Soaring Council was approached by officials of the CNR and informed that a spur line of the railway was proposed to cross the southern section of their property, which would have the effect of rendering useless for flying purposes one-third of their airfield. The CNR at this point had already spent considerable time and money on the preliminary stages of the project which was initiated without consultation with the organization owning the property involved. The CNR, as a Crown corporation, does have the authority to take such action under the provisions of the Expropriation Act and the CNR Act. Unlike the CPR, they are not obliged to approach the Canadian Transport Commission prior to construction of a new railway line. When the line is completed, they must then apply to the CTC for an order to operate the line which is by this time completed. But until then no notification of any sort is required. It is not my intention at this time to dispute the provisions of the acts in question but only to point out that inevitably instances arise which might indicate that the authority bestowed by Parliament is being used without proper regard for the rights of individuals and, in this instance, of aviation safety.

Although prior discussions between the Department of Transport and CNR officials resulted in their agreement that the area of operation remaining after the disposal of the property in question could still be fully licensed under DOT regulations, provision for expansion has not been made, considering the present growth rate of 20 per cent per annum. In addition—this is a most important point and one which is not covered under existing DOT regulations—no separate regulations now exist which govern airfields used by soaring craft as opposed to powered craft. This means that even though an airfield might meet minimum licensing requirements for powered aircraft, those minimum requirements would not necessarily be adequate when applied to soaring craft. There is no indication whatsoever that any consideration was given by the CNR or DOT in their discussions to this most important aspect of the operation.

A glider port such as the Hawkesbury facility must not be compared to an airfield used exclusively by normal power aircraft. For example, a towing aircraft has a slower rate of climb and, with a glider in tow, the angle of take-off must be shallower. The same holds true for landing approaches. There, obstruction clearance limits become more stringent due to the presence of the tow-line dangling behind the tug. Also, since when soaring conditions suddenly wane many sailplanes must land at once, a large operating area is obviously required. Other technical factors are involved. In the interests of brevity I will not list them point by point. I have the material in hand and will be happy to turn it over to the minister or any member of his department who will take the time to peruse it.

• (10:00 p.m.)

The Montreal Soaring Council does not wish to obstruct in any way the task of CNR in building a spur line which has been planned to serve an industrial site a few miles distant and which will prove to be of benefit to property owners and municipalities in the area. The council would be only too willing to co-operate with CNR in selecting a site which would be mutually agreeable to both parties. They would be equally willing to sell CNR such property as would be necessary to construct the line. The Montreal Soaring Council believes that such a site already exists a few hundred feet south of the proposed CNR site. An abandoned Canadian Northern Railway roadbed parallels the highway and the power lines on the southern boundary of the airfield.

Relocation of the rail line to this site, which is a feasible engineering undertaking, would minimize the disruption of the existing facilities of the airfield and allow for future installations to proceed as planned. The spur line could still service those industrial areas, present and future, for which it was intended. It is true that certain sites on the other side of the presently proposed line would not be reached by the route suggested by the Montreal Soaring Council, but that property is owned by the council and it has no intention of selling that particular piece of land for industrial development.

The council feels that the Hawkesbury airfield is a valuable asset to the area. Existing and proposed industries in the immediate vicinity can only benefit from an active, well maintained airfield in the area. A rail line site

is available a short distance from where it has been planned at present. I urge the minister to give earnest consideration to requesting Canadian National Railways to reconsider the route of the spur line and for the company to arrange a meeting with the Montreal Soaring Council in order that the problem may be resolved on a mutually agreeable basis. The Montreal Soaring Council is anxious to co-operate.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I thank the hon. member for Fraser Valley East (Mr. Pringle) for the opportunity of providing some information to the House respecting the operation of Hawkesbury airport and the effect on its operation of the construction of a spur line by Canadian National Railways. This line will provide access to the Industrial Fasteners Limited wire rod mill at Longueuil, Ontario, and will be approximately 4.44 miles long. The authority for the expropriation is contained in sections 15, 16 and 17 of the CNR act.

The hon. member has referred to a possible aviation safety hazard as a result of the construction of this line. I want to assure him that officials of the ministry of transport have made a very thorough assessment of this proposed spur line with respect to Department of Transport standards for airports. Their results indicate that no aviation safety hazard will be created. In addition, I understand that a very useful meeting was held on September 16 between the railway and representatives of the Montreal Soaring Council. CN plans were discussed in detail and a full understanding was reached. The exact location of the line was studied at length by CN before the final one was chosen, and serious consideration was given to alternate routes.

I know of the hon. member's personal interest in the aviation community and all members are, of course, intensely interested in safety. That is why I am pleased to give these assurances with respect to the operation of aircraft at Hawkesbury.

FINANCE—SPECIAL DEVELOPMENT LOAN PROGRAM—SUGGESTED INCREASE IN BRITISH COLUMBIA ALLOCATION—AMENDMENT OF FORMULA

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, ever since the Minister of Finance (Mr. Benson) made his announcement regarding the special loan fund on October 14, I have been critical of the allocation of that $160 million fund as between the various provinces. On November 24 the Minister of Finance sent me a letter setting forth some of the statistics. He wrote:

> Since the allocation of each provincial share is based largely on its relative share of unemployment, the changes in shares from last year's program to the present program are more readily illustrated by examining the share of unemployment by province. The following table shows the proportion of unemployment in the various provinces to Canada's total for the period June to September, with comparisons with last year.

I ask the House to look at the comparisons. The percentage of the total unemployed in the province of Newfoundland last year was 3 per cent compared to 3.4 per cent this year. The money they will be allocated out of this fund has gone up from $6.8 million to $7.5 million. Prince Edward Island was .4 per cent last year. It is the same this year. It received $1 million last year and will receive $1 million this year. Nova Scotia had 3.1 per cent of the unemployed last year and 4 per cent this year. Its share of the loan fund has gone up from $4.3 million to $7.4 million. New Brunswick had 3.4 per cent last year and 3.4 per cent this year, exactly the same. However, its allocation has gone up from $5.4 million to $9 million.

Quebec has dropped from 36.6 per cent to 36.3 per cent. Its allocation has dropped from $70.3 million to $63.2 million. Ontario's share of the unemployment went up from 26.1 per cent to 28.8 per cent. Its allocation has gone up from $17 million to $26.5 million. Manitoba went up from 4.1 per cent of the unemployment to 4.4 per cent. Its allocation has gone up from $8.6 million to $9 million.

Saskatchewan was 3.1 per cent last year and 2.5 per cent this year. They did not receive anything last year but will receive $6.9 million this year. Alberta had 5.3 per cent of the unemployment last year. It went down to 5.2 per cent this year. Its allocation went up from $6.8 million to $8.5 million. British Columbia had 14.9 per cent of the unemployed last year. It has dropped this year to 11.6 per cent. Its allocation has dropped from $39.8 million last year to $21 million this year.

There are two extenuating circumstances which the minister pointed out in his letter. British Columbia received $2.8 million of the Saskatchewan funds which Saskatchewan did not use. Even that is $37 million last year compared to $21 million this year. Also, the minister has tabled a formula setting forth the very complicated basis upon which this allocation was resolved. After looking it over I am convinced it has created more anomalies that it has solved.

It is significant that the province of British Columbia, where unemployment in this period this year is a little over 20 per cent less than last year, has had its allocation cut by almost 50 per cent. I am not complaining about what any province is getting. I am simply pointing out that this is a very arbitrary and discriminatory way in which to divide the $160 million between the provinces. I recognize that at this late date the government cannot start to notify the provinces that it has changed the allocation. But what the government could do was what it did last year when it found there were inequities. An additional amount was made available; the government stepped up its original $150 million to $160 million so as to iron out some of the inequities. I urge the government to increase the total amount of the fund so that some of the inequities which are self-evident when one examines the figures I have just quoted may be straightened out and no province is subjected to any sense of discrimination.

• (10:10 p.m.)

Two weeks ago, the province of British Columbia had already used up the entire $21 million despite the fact that neither of the two larger cities, Vancouver and Victoria, had yet made application. My own constituency, one of the municipalities which was very quick to get started on this project, put in proposals for a sewage program but found it was too late and had to take its place on a waiting list. This meant it had to ask the citizens in a referendum to approve going ahead with the sewage project despite the fact that it does not know what the cost will be

because it is not known whether any benefit will be received from the special loan development fund.

I urge the government to seriously consider increasing the amount of the special loan fund above the $160 million at which it is fixed at the present time. I do not know any program which would help to put people to work more rapidly and which would at the same time provide greater social benefits. Should whatever government which is in office repeat the program next year, I hope it will be done six months ahead of time and that a decision to proceed will no longer be left until fall. I would have thought that after the experience of last year, when the announcement came much too late for effective use to be made of the scheme, the government would have acted promptly this year so that measures could be taken by the municipalities to make good use of the funds available.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): The government will certainly take seriously, as it always does, the representations which the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) has made. I have a fair amount of paper before me in anticipation of questions I thought might arise in the course of the hon. member's remarks I believe he has made a serious representation and one which is very worth while, but basically there are no questions which appear to require answering so I can only undertake to bring the hon. gentleman's remarks to the attention of the Minister of Finance (Mr. Benson) immediately.

Mr. Douglas: Thank you.

ADMINISTRATION OF JUSTICE—GRANTING OF PAROLE TO NELLES KIDNAPPERS—REFUSAL TO RETURN LICENCE TO PERSON CONVICTED OF IMPAIRED DRIVING

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I rise to protest what I believe to be a gross maladministration of justice and a disparate and disproportionate application of the granting of parole by the National Parole Board. On Tuesday, November 23, I put a question to the Solicitor General (Mr. Goyer) as follows:

> Can the Solicitor General explain to me and to the House why the parole board is granting parole to the convicted criminal kidnappers in the notorious Nelles case in 1969, after only one-sixth of their sentences have been served, while the same parole board will not grant the return of a driving licence to a penitent constituent of mine?

I am sure Your Honour understands exactly why I raised this question. I suppose I could just as well have directed my inquiry to the Minister of Justice (Mr. Turner). I do not think it requires a lengthy answer. By asking my question tonight I am simply bringing justice, as it is administered today, into perspective. Canadians are not satisfied with what is going on.

I think the House and the people of Canada deserve an explanation from the Solicitor General, from the Minister of Justice, and especially from the organization known as the National Parole Board. The people of Canada demand to know why Mr. Street and his board have granted parole to most of the gang of criminal kidnappers in the notorious Nelles case after only an average of one-sixth of their sentences have been served. And if Mr. Street and company are to be that lenient with these convicted persons, why can they not be fair and grant a poor youth in my constituency the return of his driving licence which was taken away for two years for a conviction of impairment?

Now, when he and his parents ask for its return, after he has learned his lesson, they are given a terse, curt "no". I point out that it is said that none of the Nelles case men had a previous record. Neither had my constituent who lost his driving licence. He has served well over half of the penalty in being deprived of his driving licence.

Many people do not know that if one is convicted of impaired driving—which is classed as a criminal offence, rightfully—the parole board has, truthfully speaking, the keys of one's car. That is all right. I am not kicking about that, Mr. Speaker. It is perfectly proper that this authority hold that right. But when the parole board uses such disparity and disproportionate judgment as I have just outlined in these two cases it is time the truth was known and it is time it gave reasons for such judgment.

I demand full revelation for the House and the people of Canada of the judgment and record of parole of this high-class gang of criminals in the Nelles case. I demand that the Attorney General smarten up and look into this matter. Or is he pursuing the policy as outlined in his recent statement where he said that this government is more interested in rehabilitation of criminals than in the protection of persons and property?

While I am on the subject, Mr. Speaker, I want to point out to you and the House that according to the Toronto *Star* of November 27, the man who shot and killed a gasoline filling station attendant, David Seedhouse, last month in Weston, Ontario, had been paroled from prison only last July after serving two years of a six-year term for gas station robberies. The National Parole Board paroled him under these lenient terms, and less than four months later this man committed a brutal murder, shooting down defenceless David Seedhouse who did not have a chance. I want an explanation for these two cases from Mr. Street and his board, and I demand that the Solicitor General sees that the House gets an explanation.

In these times of trouble, especially when one takes into account the terrible circumstances of lawlessness that prevail in our permissive society under this Trudeau government, if a vestige of the hoped for just society is to survive we must pay more attention to the keeping of law and order and to the punishment of criminals and transgressors in a manner consistent with the sentences that the courts of justice are handing down. Is there any justice in sentencing a man who makes a practice of robbing service stations at gunpoint to a deserved six years and then having the parole board let him out in two years to pave the way for him to commit capital murder four months later? The answer the Canadian people give to that question is an unequivocal "No."

That is why I say I am bringing justice into perspective here tonight when I say to the Attorney General for God's sake, if he is going to allow the paroling of all the Nelles gang, in the name of justice return to my young constituent his driving privileges. If we can get this done, I will give the parole board my constituent's name. I do not mention it here tonight as a matter of courtesy because I

do not wish to embarrass him and his family. I hope, Mr. Speaker, that my request this evening will receive an early and favourable response from the Attorney General and his department. I remind him that the people of Canada are awaiting an explanation.

• (10:20 p.m.)

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): As the hon. member knows, individual decisions pertaining to the granting of parole are made by the National Parole Board. This applies to all persons in custody of the federal government. As the hon. member further knows, the parole board is a quasi judicial body vested with certain powers under the Parole Act, and the whole concept of granting these powers to a board is based upon the premise that such matters should not be the subject of political interference, political influence or political decision. Accordingly, in so far as such decisions are concerned, the Solicitor General (Mr. Goyer) even though he may from time to time, as the hon. member has done here tonight, question an individual case, he is not only reluctant to interfere but indeed he cannot.

Explanations as to why parole is given in any one individual case would take much more than the three minutes that I have. The files are elaborate and the reasons are equally elaborate. In any event, it is impossible and not in the interest of justice, I suggest, to balance one case against another. There is no reason, because a kidnapper is paroled in Toronto, for a young man in the hon. member's constituency to have his driver's licence reinstated, nor is there any reason, because the young man should not have his driver's licence reinstated, for the kidnappers in Toronto to be kept in jail. There is no correlation between the two cases. Careful consideration must be given to each case.

The Solicitor General is quite satisfied that although from time to time apparent errors are made, such as would appear in the case of the filling station attendant who was shot, nonetheless the parole board has given careful consideration in each instance. The Solicitor General is prepared to admit that parole is a very difficult matter. In modern penology, where the risks are between the protection of the public and the rehabilitation of an individual, those risks are equal. The parole board will, hopefully, come down in favour of the individual, giving him the benefit of the doubt as being a rehabilitated citizen. Sometimes this does not always work but it is found that in most cases it does, and although the hon. member has suggested a few failures there are many thousands of successes that go unheralded and unheard of in this great country.

I direct the hon. member's consideration to an article that appeared in the Vancouver *Sun* last Saturday dealing directly with this point. In any event, if the hon. member wishes to have his views further known, on December 15 the Senate judicial committee is commencing an inquiry into parole policy and the parole board, as well as how the Solicitor General's functions relate to this board. He is certainly welcome to appear there and to present such views as he has presented this evening.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, December 7, 1971.

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

MISCELLANEOUS ESTIMATES

Ninth report of Standing Committee on Miscellenous Estimates, in the two official languages—Mr. Leblanc (Laurier).

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

* * *

[*English*]

EXTERNAL AFFAIRS

STATEMENT BY PRIME MINISTER ON MEETING WITH PRESIDENT NIXON IN WASHINGTON

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as hon. members are aware, I spent several hours yesterday with President Nixon in Washington. I should like to take a few moments of the time of the House to report on those meetings and on the discussions which took place concurrently between the Ministers of Finance and Industry, Trade and Commerce, with their officials, and the United States Secretaries of the Treasury and of Commerce and their officials.

One of the purposes of my visit was to seek reassurance from the President, and it can only come from him, that it is neither the intention nor the desire of the United States that the economy of Canada become so dependent upon the United States in terms of a deficit trading pattern that Canadians will inevitably lose independence of economic decisions. I stated to the President as candidly as I was able the concern which had been expressed in Canada, and indeed by some hon. members, with respect to the character of the U.S.-Canadian relationship. That concern was precipitated, of course, by the introduction on August 15 of the new United States economic policies, but it has been reflected increasingly in recent years by the continuing flow to Canada of American investment with its inherent advantages and disadvantages.

I cannot emphasize too strongly the warmth and the understanding with which President Nixon responded to my questions and the candid attitude which he revealed. He assured me that it was in the clear interests of the United States to have a Canadian neighbour not only independent both politically and economically but also one which was confident that the decisions and policies in each of these sectors would be taken by Canadians in their own interests, in defence of their own values, and in pursuit of their own goals.

Some hon. Members: Hear, hear!

Mr. Trudeau: The century-old desire of Canadians to benefit from our North American neighbourhood and to profit from our relations with the United States, while at the same time remaining Canadian to the degree and extent that we choose, was put to the President by me and accepted by him without hesitation or qualification.

Some hon. Members: Hear, hear!

Mr. Trudeau: We are a distinct country, we are a distinct people, and our remaining as such is, I was assured, in the interests of the United States and is a fundamental tenet of the foreign policies of that country as expressed by the Nixon administration.

I should add that the President was sensitive to the suggestion that his August 15 policies could be interpreted as evidence that the United States was unable to accept a Canada with a strong trading and current account position vis-à-vis the United States. This interpretation he could understand, but he stated to me forcefully that it was incorrect. I have not the slightest doubt, having spoken to him, that his interpretation is the correct one and will be borne out by events.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): I am not so sure about that.

[*Translation*]

Mr. Trudeau: If I may turn for a moment to the specific question of reforms in the monetary and trading practices of the world, the President and I agreed that no benefit would be gained by any short-sighted attempt on the part of any single country—the United States included—to gain immediate advantage. If the world trading nations and the international monetary community are unable to support with confidence whatever agreements are reached, then no progress will have been made. The same inherent instability and uncertainty which precipitated the August crisis will return, but with a viciousness not so far present because governments and the private sector will have lost confidence in their ability to come to grips with problems of this importance and this magnitude.

In short, Mr. Speaker, while the state of negotiations on specific points does not permit me to reveal to the House the precise state of play on any of the items which are understandably of interest to all hon. members, I am able to say that I have not the slightest doubt that those negotiations will be culminated soon, that the economic issues outstanding between Canada and the United States will be resolved, and that Canada will emerge in a healthier state. Much of the credit for progress in the process is due to the Secretary of State for External Affairs (Mr. Sharp), to the Minister of Finance (Mr. Benson), and to the Minister of Industry, Trade and Commerce (Mr. Pepin) for the skillful, tough and professional manner in which they have led the Canadian team of negotiators.

Prime Minister's Meeting in U.S.

• (2:10 p.m.)

[*English*]

I have emphasized in these remarks those parts of my discussion with the President which were directed to economic issues and to Canadian-American relations. I hasten to add, however, that we spent a good deal of time on broader international matters—on the tragedy which is now unfolding on the Indian subcontinent, on the steps which are being pursued in the United Nations to arrest the hostilities and create a measure of confidence that the grievances in that area can be redressed, and on East-West relations generally. In keeping with the President's desire to inform the major allies of the United States about his pending visits to the People's Republic of China and the Soviet Union, we talked of the initiatives taken by both Canada and the United States to lessen tension and contribute positively to an orderly international climate.

Finally, Mr. Speaker, I am pleased to inform hon. members that the President told me with what pleasure he and Mrs. Nixon were looking forward to their visit to Canada this spring.

Some hon. Members: Hear, hear!

Mr. Trudeau: I assured him that the warmth of the reception which I knew awaited them would be a clear indication of the friendship between the peoples of our two countries.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, first of all let me state that it will not surprise the Prime Minister to hear me say that I was very pleased he had this talk with the President of the United States. I am also very pleased that the Prime Minister has returned home reassured as to the essential good will of the President of the United States toward our country, and reassured too as to the intention and firm determination of the President of the United States to see our country develop in independence and in accordance with our own priorities. I am pleased too that the feelings of uncertainty the Prime Minister expressed publicly some time ago to the Canadian people as to the intentions of the President and the intentions of the American people toward Canada, his feelings of uncertainty about the basic attitudes that the President might have as to the role of Canada in North America and as to the direction that the Canadian economy should take in the future, have been relieved and that some of the general feeling of uncertainty is now eliminated in his own mind and presumably, as a result of his statement, in the minds of the Canadian people.

I had hoped, of course, that the Prime Minister would have taken steps some time ago to try to remove these uncertainties somewhat earlier than he has done, but I am pleased that this has happened.

Mr. Guay (St. Boniface): Then congratulate him.

Mr. Stanfield: I am even pleased to see the hon. member for St. Boniface (Mr. Guay) in his usual form.

Some hon. Members: Hear, hear!

An hon. Member: Former St. Boniface.

[Mr. Trudeau.]

Mr. McGrath: Idiot form.

Mr. Stanfield: Mr. Speaker, unquestionably it should be emphasized that good relations between our two countries and a clear understanding between our two countries are very important to us. However, in addition to general assurances from the President of the United States as to his views about the relationships between our two countries and his firm resolve to respect our independence, political and economic, and to respect our decisions as to what course of action we might take—and I do not doubt their sincerity for a moment—surely we have to get down to specifics when the relationship between our two countries is so interdependent. It is the attitude and the response of the United States administration on specific issues that will really affect this country. It never occurred to me seriously that the United States had any desire to pursue policies intentionally designed to cripple this country. The question really is, what view does the United States administration have with regard to balance of trade and terms of trade? What view does the United States administration regard as consistent with its own interests? What view does the United States administration have as to when its actions might impinge upon the independence or autonomy of Canada? It is also important to us to know specifically how the administration regards the value of the Canadian dollar in relation to the United States dollar. Are the views of the United States administration on this subject likely to impinge in any way upon our independence? These are matters upon which we will receive further enlightenment in due course.

I am pleased to hear the very optimistic statement made by the Prime Minister this afternoon as to the manner in which he believes these problems—presumably the value of our currency in relation to the United States dollar, the auto pact, the general attitude of the United States toward trading relationships, the balance of trade between our two countries, the attitude toward Canada manufacturing rather than being basically a supplier of raw materials to the United States—will be solved. It is these specific matters that we have to be concerned about, Mr. Speaker, in view of the high degree of interdependence between our two countries. While we are pleased to receive a general assurance as to the good and firm intentions of the United States, the question really is how the United States administration will interpret its interests and our interests on any particular matter.

In view of the degree of interdependence between our two countries it is my belief that we must not only have a statement of general intention, which we welcome, but we must also work out some guidelines between our two countries which will assure us in a specific way that decisions are not going to be taken unilaterally in Washington that could have a very detrimental effect upon our economy and its development. I realize such guidelines cannot be worked out in the course of a single visit. I do not expect that. I am glad the process has been started. I am pleased—I do not know what is going on with my hon. friends at the back on the other side, Mr. Speaker. Perhaps they would like me to attack the government. I am trying to be reasonably positive and constructive in light

of what I regard as a constructive move on the part of the Prime Minister.

• (2:20 p.m.)

I emphasize that as a Canadian, and my feeling is widely shared in many quarters of this House, I am concerned about the degree of interdependence between our two countries and the extent to which decisions taken in Washington can affect us. I consequently believe it is important for us to try to establish guidelines between our two countries for governing our behaviour toward each other which will at least reduce to a minimum the possibility of unilateral decisions being taken that can affect us very significantly. I repeat that one cannot expect this to be achieved in one visit. I am pleased that President Nixon is to come to Ottawa in the spring. I hope the Prime Minister will regard sympathetically the suggestion that the Prime Minister of Canada and the President of the United States should meet frequently and regularly and that one of their objectives at least ought to be the achievement of significant and specific guidelines on how we are to behave toward each other.

Mr. David Lewis (York South): Mr. Speaker, I regret that I cannot join in this—

Some hon. Members: Oh, oh!

Mr. Lewis: Mr. Speaker, I regret that I cannot join in this song of praise over the visit of the Prime Minister to Washington and his statement on returning.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: I suggest to you, Sir, and to the Prime Minister that this is one of the most distressing declarations by any Prime Minister of this country.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: What the Prime Minister has said is that he visited Washington and that he has the assurance of the President of the United States that Canada can remain independent. Is that not wonderful, Mr. Speaker?

Some hon. Members: Oh, oh!

Mr. Lewis: What else did the Prime Minister expect the President of the United States to say to him? I say to the Prime Minister that it is not assurances from the President of the United States or the administration of the United States regarding the independence of Canada that Canadians need. They need to be assured by this government that it will not continue to sell Canada out to the multinational corporations and thus continue to endanger our independence.

Some hon. Members: Oh, oh!

An hon. Member: The same old stuff!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. May we have order in the House. The hon. member for York South has the floor.

Mr. Lewis: Mr. Speaker, hon. members can yell or scream or yelp. I intend to say what I think I must say as a Canadian. If hon. members, by interrupting me, want me to take longer, that is fine by me. I have lots of patience and I hope you have too, Mr. Speaker. I suggest it is humiliating for Canada and Canadians for the leader of their country to have to go to Washington to be reassured about Canada's independence, to be reassured by the President of the United States that he does not intend to treat us like a colony, as I heard the Prime Minister suggest at the press conference.

An hon. Member: Shame!

Mr. Lewis: I think this is a measure of the kind of continentalist thinking that has been going on in Liberal ranks and, indeed, in Tory ranks in this country.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I have never had any doubt—

Some hon. Members: Oh, oh!

Mr. Lewis: I have never had any doubt that Canada's dependence on the United States is not due to the Americans raping us.

Some hon. Members: Oh, oh!

Mr. Lewis: I have said more than once that there cannot be rape where there is invitation and consent.

Some hon. Members: Hear, hear!

Mr. Lewis: Canada's dependence on the United States Canada's dependence in trade, in monetary policy, in the control of our economy—

Some hon. Members: In unions.

Mr. Lewis: And in unions, Mr. Speaker. Obviously I must be saying something that has some truth in it, from the pain it has caused. Canada's dependence on the United States has not been the result of any decision by Presidents of the United States of America. It has been the result of decisions by Canadian political and business leaders to hand over our resources to the American corporations and to ask American capital to come into this country to build branch plants as subsidiaries of multinational corporations. Therefore the statement of the Prime Minister to the House today, as well as his statement before the press conference in Washington, is a humiliating admission of the bankruptcy of the Liberal party's attitude and policies toward Canada's development and the development of Canada's identity.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Lewis: It is not anything more than that. It is not of the slightest help to Canada. I hope that in the very near future the Prime Minister or some member of the government will rise in his place and tell us what the government's policy is with regard to foreign investment and with regard to regaining control of Canada's economy. I

hope the government will tell us exactly what it intends to do. Because of one statement the Prime Minister made at the press conference, I am worried that the government's policy will not only be too late but too little for Canada's future independence as a nation.

We need to know, and I hope we will in the very near future, the results of the negotiations between our ministers and the relevant secretaries of the United States. How much are we giving away with regard to the auto pact? How much are we giving away with regard to defence purchases? How much are we giving away as concessions? If I remember correctly, the Prime Minister clearly said during his press conference that Canada will make concessions to the United States to assist them in their present position but we will extract some concessions from them. This Parliament and the people of Canada are entitled to know precisely what concessions Canada is making and what concessions it will be getting from the United States, if any. We want to know what our energy policy is with regard to the Americans, whether we will continue to sell our natural resources to American multinational corporations as we have done until now. I know this will be considered offensive, but I have to speak the truth.

Some hon. Members: Oh, oh!

Mr. Lewis: Before anyone gets excited, let me put it this way. I have to speak the truth as I see it, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. I am not pressing the hon. member at this point, but I should like to remind him that according to the Standing Order comments made in response to ministerial statements ought to be brief and should not be of such a nature as to give rise to controversy. I am not sure whether the hon. member's last statement is on all fours with the Standing Order. As I said, I am not pressing the matter, but I think we should try to proceed with a view to the termination of comments on the statement made by the Prime Minister.

• (2:30 p.m.)

Mr. Lewis: Thank you, Mr. Speaker. I have not been keeping my eye on the time, but I hope you have given me credit for some of the time taken up by interruptions.

I was saying that in my opinion the declaration by the Prime Minister is in no sense a reassurance to Canada. It is in our opinion a mark of humiliating thinking by the government of this country with respect to Canada's independence. We shall not be satisfied that Canada's future independence is in any way safe in the hands of this government unless we have a policy on foreign investment and foreign economic control which has teeth in it and will reverse the continuing sell-out of resources and manufacturing facilities to United States corporations.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we were fortunate this morning to be able to hear the Rt. Hon. Prime Minister (Mr. Trudeau), on the occasion of a press conference in Washington, state something like this: "The Prime Minister of Canada and the President of United States have agreed that they should each guide their own political and economic destinies while respecting the freedom of the other."

Today, at the opening of the House, he is still using this most diplomatic phraseology which, in any event, will solve nothing and bring absolutely nothing to the people of Canada.

Mr. Speaker, there is one thing that will have to be said in the House one of these days, and it is that this government is a past master in creating artificial crises in order to manipulate more easily Canadian public opinion. For instance, There were an economic depression and an extremely high unemployment rate in Canada long before imposition of the American surcharge on imports. At that time, the government put the blame on the United States in an effort to disclaim responsibility, thus finding an excellent scapegoat.

Mr. Speaker, I shall remind hon. members on the other side of some statements made by the Minister of Finance (Mr. Benson) in October last, and particularly in a newspaper article titled: "Benson anticipates danger of return to the glommy thirties."

People get scared and that's the way the government seeks to get them grovelling on all fours before Finance.

That is what they are trying to do to Canadian public opinion in order to make it forget the government's inefficiency and administrative fiasco.

And at the same time, our foreign policy is taking another direction. The government is opening friendly negotiations with socialist and communist countries. It is also allowing our relations with the United States to deteriorate. Indeed, without warning and at the cost of millions of dollars, the government is taking steps to give some impetus to our economy in order to impress Canadians; and those funds will be borrowed from the Americans or from other countries.

This artificial crisis in our relations with the United States has been entirely created to justify a rapprochement with communist countries. The Prime Minister has spent whole weeks in these countries, but only two hours in Washington. Today he comes back with empty hands. He says that good understanding has been restored, that all is well and yet, there is an increasingly persistent rumour—newspapers have reported it this morning—that Canada is about to purchase more weapons from the United States. However, the Canadian government boasts that it is working for peace.

This morning again, I heard—this is serious and I shall end on this—that Retail Credit of Atlanta, Georgia, in the United States is purchasing all Canadian credit offices and that so far those of Montreal, Winnipeg, Toronto, Vancouver and Regina have already been handed over to American interests, which means, to all intents and purposes, that from now on the Americans are going to decide about the financial situation of thousands of Canadians.

The right hon. Prime Minister said: We come back with the assurance that in the future we can freely orient our own economic and political destinies, and this with the respect of others.

Mr. Speaker, I say this is bluff. This is a put-up job by the government to make us forget their administrative failure, to make the Canadian people gobble up more easily communist socialism. We protest energetically against such dishonest tactics; the future will surely prove us right.

The problem will certainly not be solved by two hours' negotiations. If the hon. Minister of Finance (Mr. Benson) was so right in October, then today the Prime Minister is wrong. One or the other is lying and, to my mind, the last one who went over is.

* * *

[*English*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—TABLING OF EVALUATION REPORT

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, in accordance with Standing Order 41(2) I wish to table in both official languages an evaluation report regarding the Opportunities for Youth program.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker. I believe there was an undertaking given earlier this session by the Secretary of State that at the appropriate time, when he was introducing this document, he would also have something to say with reference to the government's own position. Since an extensive amount of work has been done in connection with this important evaluation, I find it surprising that the parliamentary secretary would merely table the document without commenting on the government's position so that opposition spokesmen might have an opportunity to express their views.

Mr. Faulkner: On the point of order, Mr. Speaker, may I say that the only undertaking made by the Secretary of State was that he would table the evaluation report. This has been done. One would think it would be more sensible to hear statements from representatives of the opposition after they had read the report.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. There should really not be a debate on the matter. The rules are clear. Is the hon. member rising on a further point of order?

Mr. MacDonald (Egmont): On a point of order or a question of privilege, Mr. Speaker. As the opposition spokesman on this important subject I issued a report some weeks ago dealing with this matter, as is well known to the parliamentary secretary and others. I am most anxious to have the opportunity to respond to whatever initiatives the government may be taking but it is obvious they have no initiatives.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

AGRICULTURE

PROGRAM TO ASSIST SMALL FARMERS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I ask leave under Standing Order 43 to present a motion on a matter of urgent and pressing necessity.

Yesterday the Minister of Agriculture announced a $150 million program which it appears he intends to proceed with without giving farm organizations, representatives of the farmers or, indeed, members of this House an opportunity to express their opinions. Having regard to the record of the government as far as farm legislative programs are concerned, it is imperative that this proposal be thoroughly debated and examined by the House and the standing committee. I therefore move, seconded by the hon. member for Assiniboia (Mr. Knight):

• (2:40 p.m.)

That the matter of the $150 million program announced by the Minister of Agriculture yesterday in Winnipeg be referred to the Standing Committee on Agriculture so that representatives of provincial governments, farm organizations and others may have an opportunity to express their views on the details of the program.

Mr. Speaker: Hon. members have heard the motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

[*Translation*]

PRIVILEGE

MR. LAMBERT (BELLECHASSE)—DELAYED DELIVERY OF FRENCH "HANSARD"

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I rise on a question of privilege.

I would like to know why we still have not received the French version of yesterday's *Hansard.* I presume there is some reason for it, but I would not like this to occur every day, as it is very interesting for members of this House to be able to read *Hansard* before the House meets.

Mr. Speaker: I must inform the hon. member that unfortunately there have been printing problems which are entirely beyond the control of House of Commons authorities. We are, of course, sorry for the delay, but cannot take responsibility for it.

[*English*]

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

POSSIBLE EARLY SETTLEMENT OF WORLD MONETARY CRISIS AND REMOVAL OF U.S. IMPORT SURTAX—BASIS FOR PRIME MINISTER'S OPINION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Prime

Minister. The Prime Minister has indicated he feels that the world's monetary crisis will be settled and that the United States surtax will be removed following the next meeting of the Group of Ten or the subsequent meeting some time in January. When the Prime Minister formulated his opinion that these matters would be resolved within this time, what were the factors upon which he based this very optimistic opinion that he has expressed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe I was interpreting what I understood Secretary Connally's position to be, that he was hoping the December meeting would be a conclusive one and that we would see an adjustment and a movement toward greater stability. But he did concede that if it was not successful this time he had very high hopes for January. I was mainly reflecting the thoughts and desires of the main actor in this particular scene.

Mr. Stanfield: In other words, this optimism of the Prime Minister was not based on any particular information that he received in Washington.

REPRESENTATIONS BY PRIME MINISTER TO PRESIDENT NIXON RESPECTING CANADIAN DOLLAR LEVEL AND UNITED STATES DISC PROPOSAL

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister what representations he made to the President on behalf of the government of Canada on the subject of the appropriate level of Canada's currency in relation to that of the United States. What representations did the Prime Minister make with regard to the view sometimes expressed in the United States that Canada is expected to permit a further upward revaluation of our dollar? Can the Prime Minister indicate what representations he made on this subject and what assurances he received?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the President did not convey to me any such hope or representation; therefore I found no need to destroy what would have been a straw man in this particular case.

Mr. Stanfield: Does the Prime Minister regard the views expressed by Secretary of the Treasury Connally as creating a straw man? In any event, the Prime Minister has answered my question. I should like to ask him what representations he made on behalf of the government of Canada to President Nixon regarding the DISC proposal which has been very much in the forefront in the United States and, again, what assurances, if any, he received from the President.

Mr. Trudeau: Mr. Speaker, our conversation on this point did not go beyond the statements which have been made in the House last week by the Minister of Industry, Trade and Commerce and by myself, the effect of which—

Mr. Stanfield: Surely there was something more than that.

Mr. Trudeau: Perhaps the Leader of the Opposition thinks otherwise, but I am reporting to him what the conversation between us was.

[Mr. Stanfield.]

DISCUSSIONS BETWEEN MINISTERS OF FINANCE AND INDUSTRY, TRADE AND COMMERCE AND U.S. SECRETARIES OF TREASURY AND COMMERCE—SUBJECTS COVERED

Mr. David Lewis (York South): Mr. Speaker, I should like to address a question to the Minister of Industry, Trade and Commerce with regard to the discussions that he and the Minister of Finance had with the Secretary of the Treasury and the Secretary of Commerce of the United States. Would the minister be good enough to inform the House what specific areas were discussed with his and the Minister of Finance's counterparts in Washington?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my involvement was mostly one having to do with the solution of irritants.

Mr. Stanfield: We know all about irritants on this side.

Mr. Pepin: I used a word that everybody in Canada knows the meaning of. If the Leader of the Opposition is still unfamiliar with the word, let me describe them as the "so-called irritants".

Mr. Baldwin: What did you use on them, vanishing cream?

Mr. Pepin: The essence of the exercise was to try to obtain a balanced package of irritants, if that is clear to the Leader of the Opposition. I would say that we know now what we can do in terms of solving the irritants that the United States has identified. My feeling is also that they now know fairly well what we can do.

Mr. Paproski: Did they tell you what you can do?

Mr. Pepin: We have also indicated to them a number of irritants we have with the United States and have suggested a number of things that they might do. We suggested that they might move on a number of these items. They are considering that possibility now and hopefully in coming days there will be another meeting at which more efforts are going to be made in order to find a balanced package in the solution of these irritants. A solution to these irritants is considered by both sides as being useful in the present circumstances.

Mr. Lewis: In view of the fact that the minister is obviously suffering from some irritant, may I ask him this question. On numerous occasions we were informed that the United States felt there were irritants in the direction of the auto pact, defence purchases and one or two other matters such as tourist exemptions, and that we felt there were irritants with respect to uranium and a number of things of that sort. Were any other questions laid on the table in these discussions, or were they confined to those matters that the minister and the Prime Minister have on various occasions informed the House about?

Mr. Pepin: Mr. Speaker, the hon. member has a fairly good idea of what was talked about. He could add a few others such as some difficulties we have had with anti-dumping legislation in the United States, some difficulties we have had with respect to tariff items on agricultural machinery, and that sort of thing. Balancing the package is the very essence of the present exercise. I cannot say

today what we would be willing to give but it is quite understood by the United States side that we can only give in return for something given. This is the philosophy of the balanced package.

Mr. Lewis: Is one right in assuming that the Canadian government has indicated to the United States authorities a willingness to make some concessions in the area of the auto pact, defence purchases and tourist exemptions, that the Canadian government has in fact informed United States authorities of its readiness to make concessions in at least those three areas?

Mr. Pepin: Mr. Speaker, if I may quote a former minister of defence on these matters, they know fairly well what we could do and we know what they should do in order for them to find out what we would do.

• (2:50 p.m.)

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lewis: That was a most eloquent answer.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I am very much impressed with the singsong of the minister, but I would ask him now to give us a catalogue of the irritants Canada spoke of and the counter-irritants raised by the United States. Do not serialize it, and just answer the question and at the same time let us know whether or not the question of the upward valuation of gold was discussed and what was Canada's attitude thereto.

Mr. Pepin: Mr. Speaker, any two countries dealing with each other in trade matters at the level at which Canada and the United States are, which is more than $19 billion, are bound to have difficulties. It is surprising how relatively few we have and how few we cannot solve in the proper way. Nevertheless the catalogue is fairly long on both sides but being terribly intelligent, both sides have identified a selected number of irritants and have concentrated their attention on these. We are working with a short catalogue of seven, eight, nine or ten. That is about it now. On currency and the relationship of gold, I would prefer the Minister of Finance to answer that one.

Mr. Diefenbaker: Mr. Speaker, if the minister was no clearer yesterday when he spoke to the Americans than he is today I can understand that everybody would be perfectly satisfied. I am asking him now, will he give us a catalogue of these irritants and not the generality. What did he say? What were the points which were raised, or does he not know?

Mr. Pepin: The Leader of the New Democratic Party mentioned two or three or four and I added two or three to that. That gives a fairly good indication of what it was all about.

Mr. Diefenbaker: I rise on a question of privilege.

Mr. Speaker: The right hon. gentleman rises on a question of privilege. The Chair will hear him and then recognize the hon. member for Lotbinière. I think we should try to complete the first round of questioning.

Mr. Diefenbaker: Mr. Speaker, I simply rise to say that playing with the House like this—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —is not in keeping with the dignity of this House. I asked a simple question.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: If the minister wants to plead ignorance, he has certainly established it.

* * *

[*Translation*]

INCOME TAX

EXEMPTION OF EXPENSES INCURRED BY CERTAIN CATEGORIES OF WORKERS

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Parliamentary Secretary to the Minister of Finance.

Since consideration of Bill C-259 in committee of the whole will end tomorrow, can the parliamentary secretary tell us if the government intends to amend section 8 of this bill in order to recognize for income tax purposes expenses incurred by mechanics, lumbermen, construction workers?

Mr. Speaker: Order! I suggest to the hon. member that he is putting a question related to a bill now before the House. I think that this question should be put when the House sits in committee of the whole to examine the bill. It is certainly out of order to put such a question during the question period.

Mr. Godin: Mr. Speaker, if I did put such a question, it is because the amendments to be made today in favour of co-operatives and credit unions were announced yesterday. I thought that the same thing could be done in the case of workers.

* * *

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT—ADDITIONAL MEASURES TO CREATE JOBS IN LIGHT OF LATEST FIGURES—FURTHER ASSISTANCE TO PROVINCES TO MEET WELFARE COSTS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Prime Minister. In view of the fact that Statistics Canada figures indicate that unemployment is up for November over the previous month, may I ask the Prime Minister if the government is reviewing its policies to stimulate employment and if the government anticipates any other further stimulants to create jobs in view of the significantly high figures?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I notice the member is now reverting to the unadjusted figures after a long period during which the opposition has used the adjusted figures. I can merely respond as I have previously by saying we are trying to watch the trend to see if it is moving in the right direction. By the

seasonally adjusted figures unemployment is down, albeit only slightly. We are hopeful that the measures announced by the Minister of Finance some weeks ago, which have not all taken effect yet, will take effect as soon as possible.

Mr. McGrath: Mr. Speaker, adjusted or unadjusted, the figures are that 503,000 Canadians are jobless, or 27,000 more than in the previous month. In view of that very startling fact may I ask whether the government plans to introduce reforms or changes to the Canada Assistance Plan in order to provide greater assistance to the provinces where unemployment is greatest and where the burden of welfare payments is the greatest?

Mr. Trudeau: Mr. Speaker, if the hon. member will look at the measures announced a few weeks ago by the Minister of Finance he will see they were conceived in terms of helping those provinces where unemployment was highest.

Mr. McGrath: In view of the fact that unemployment is greatest in the urban areas of the country and hence the burden of welfare is the greatest there, may I ask if the government proposes to establish any special aid programs for the cities to help alleviate the welfare loads this winter?

Mr. Trudeau: Mr. Speaker, there is nothing I can announce today in this respect.

Mr. Speaker: The Chair will recognize the hon. member for Spadina for the moment and then recognize the hon. member for Sainte-Marie.

* * *

HOUSING

ALLEGED STATEMENT BY MINISTER THAT PUBLIC OWNERSHIP OF LAND IS ONE WAY TO CONTROL COSTS—GOVERNMENT POLICY

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is directed to the Prime Minister. Was the Minister of State for Urban Affairs expressing government policy in Toronto last week when he stated that one way to control increasing housing costs is public ownership of land for housing?

Hon. Robert K. Andras (Minister of State for Urban Affairs): Mr. Speaker, on a point of order, the hon. member for Spadina—I do not know whether knowingly or unknowingly—has misquoted me and taken a statement out of context. What I did say was—

Mr. Speaker: Order, please. I suggest to hon. members that it is irregular to refer to statements made outside the House by a minister except to ask whether that statement represents government policy. I appreciate there is difficulty when the minister claims he was misquoted, but certainly there is not much purpose to be achieved by having discussions on speeches made outside the House.

Mr. Ryan: Mr. Speaker, I have a supplementary for the Minister of Urban Affairs. The quotation may have been out a word or two but the sense of it was there. Is the government doing research on public ownership of land for housing and the growing cost of land and, if so, are these studies being done with the involvement of the provinces and will they be made public soon?

Mr. Andras: Mr. Speaker, the whole question of land policy as it relates to federal jurisdiction is under study. The results of these studies when they are available unquestionably will be placed before the provinces and hopefully the municipalities at tri-level consultation meetings which are being negotiated now.

* * *

AGRICULTURE

PROGRAM TO ASSIST SMALL FARMERS—METHOD OF INTRODUCTION—SUGGESTED REFERENCE TO COMMITTEE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, in the absence of the Minister of Agriculture may I ask a question of his parliamentary secretary. Would the parliamentary secretary inform the House under what procedure the government or the minister intends to introduce the $150 million program which is purported to be of assistance to the small farmers of Canada? Is the minister prepared to bring legislation into the House, and will he refer the subject matter of the proposal to the Standing Committee on Agriculture so there may be adequate discussion and examination?

[*Translation*]

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I thank the hon. member for his question. However, when we read and re-read the statement made by the Minister of Agriculture yesterday, we realize that such a policy is now under discussion, and that a special committee has been set up, in co-operation with the provinces, to provide the terms for its application.

With regard to the $150 million, it is noted that it will be spent over a seven-year period and that the amounts will have to be voted by the House of Commons.

I would also like to point out to hon. members that a while ago $16 million had been provided in the department's budget for the establishment of some kind of retirement fund for agriculture. Unless I am mistaken, this program is directly related to that retirement fund which was to help farmers.

With regard to the consideration of that program by the Standing Committee on Agriculture I shall discuss it with the minister. If such a procedure is to be followed I think the order will be given in due course.

[*English*]

[*Later:*]

PROGRAM TO ASSIST SMALL FARMERS—NATURE OF PLAN—ADJUSTMENTS FOR SIMILAR PROVINCIAL PROJECTS

Hon. J. A. MacLean (Malpeque): I want to address a supplementary question to the parliamentary secretary to the Minister of Agriculture. Would he say whether the cost

of the program referred to in the previous question will be borne entirely by the federal government or will it be a cost-sharing program with the provinces? What adjustments will be made with regard to provinces where similar projects now exist, such as Prince Edward Island?

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am informed that this program is entirely a federal program, and we are presently holding discussions with the provinces to adjust our program with their existing programs so we can achieve better success on the whole.

Mr. William Knight (Assiniboia): My question is for the parliamentary secretary. Is the minister prepared to proceed with the announced program without having such vital questions as the definition of small farms debated in the House first?

Mr. Lessard (Lac-Saint-Jean): With regard to the definition of a small farm, if we have to start a debate on that in the House I am afraid it will be many months and years before we will be able to proceed with our program.

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[*Translation*]

THE CANADIAN ECONOMY

MEASURES TO INCREASE NUMBER OF JOBS IN QUEBEC

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to ask the Prime Minister a question. This question is complementary to that one asked by my colleague concerning unemployment. If it is true that there was an increase in unemployment in Quebec during the last month and that the number of people employed decreased notably from October to November, what does the government then intend to do to increase the number of jobs in that province?

Right Hon. P. E. Trudeau (Prime Minister): Again, Mr. Speaker, if I am not mistaken, the hon. member makes the same error his colleague made earlier. If you look at the seasonally adjusted rate for Quebec, you will notice that there was a decrease last month.

Mr. Valade: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Sainte-Marie on a point of order.

• (3:00 p.m.)

Mr. Valade: Mr. Speaker, I have spoken of available jobs and workers in the province of Quebec. As, on the whole, the number of available workers and jobs has decreased, rather than the unemployment index, would the Prime Minister tell the House what action the government intends to take in order to increase the number of jobs available in Quebec?

Mr. Trudeau: Mr. Speaker, what the hon. member does not appear to understand is that, when we speak of available jobs, we are talking in absolute terms and, when we speak of unemployment or of the unemployment rate, we are not using absolute figures but a percentage. And that percentage, I repeat—because it is adjusted to take seasonal variations into account—has decreased in Quebec in the last month.

[*English*]

UNEMPLOYMENT—SUGGESTED LEGISLATIVE AMENDMENTS TO ENABLE MANPOWER OFFICIALS TO ASSIST CHRONICALLY UNEMPLOYED

Mr. David MacDonald (Egmont): I have a supplementary question for the Minister of Manpower and Immigration. In view of the fact there are now 123,000 people who have been unemployed for six months or longer, and the fact that many of these people are unable to participate in present manpower programs on a continuing basis, I wonder whether the minister has looked at these figures or whether he has begun to consider some amendments to the present legislation so that the Canada Manpower officials may be able to be of greater assistance in terms of either programs or other opportunities for people who are in this chronically unemployed group?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Of course we are always looking at ways in which our rules may be amended to make our services more available. The recent changes in our offering of training programs, particularly on-the-job training programs, is one example of the positive steps in this direction, and others will certainly be examined.

Mr. MacDonald (Egmont): I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Egmont, but may I take the opportunity, as I do from day to day, to remind hon. members that we are running short of time and that I am still hoping to recognize this afternoon a number of hon. members who tried to ask questions yesterday. I see them smiling at me, but I hope to be able to give them a chance to ask their questions later during the question period.

Mr. MacDonald (Egmont): In view of the fact that over the months this problem has grown and the minister has been unable to give us little more than general statements, would he agree to provide within the next week specific facts and figures about how effectively these programs are operating with regard to the growing number of people who are chronically unemployed?

Mr. Lang: We will be providing reports from time to time on the special employment programs particularly. I would hardly think that the $498 million being spent under these programs can be considered a general statement.

Mr. MacDonald (Egmont): Mr. Speaker, I rise on a point of order. The minister did not answer my question. He referred to specific programs. I asked him a question with regard to facts and figures respecting the chronically unemployed and whether he would speak to this matter in terms of his own departmental responsibility.

Inquiries of the Ministry

EXTERNAL AFFAIRS

DISCUSSION OF ENERGY AT MEETING OF PRIME MINISTER AND PRESIDENT NIXON

Mr. Eldon M. Woolliams (Calgary North): I have a question for the right hon. Prime Minister. It is really supplementary to questions asked by the Leader of the Opposition and other hon. members regarding the agenda and the subjects that were discussed with the President of the United States. Was the question of energy discussed with the president? Who raised the matter, and what was said in reference to Canada on this subject if it was discussed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we did not discuss the subject of energy.

Mr. Woolliams: May I just read something to the Prime Minister with your leave, Mr. Speaker. I asked the following question on December 3, 1971:

Mr. Speaker, would the Prime Minister consider as one of the priorities that he will discuss with the President of the United States the subject of energy, in light of the fact that before a standing committee this morning it was admitted by the Energy Board that reserves in the Arctic were not taken into consideration when the board vetoed the four applications for licences to export natural gas to the United States?

The Prime Minister answered:

Yes, Mr. Speaker.

So I take it that even though he stated in the House that he would the Prime Minister did not discuss that subject.

Mr. Trudeau: The answer was that I would take it into consideration, which I did.

Mr. Diefenbaker: Was it not one of the irritants?

* * *

[*Translation*]

MANPOWER

TRAINING AND RETRAINING PROGRAMS—CRITERIA—JURISDICTION RESPECTING ELIGIBILITY OF CANDIDATES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to put a question to the hon. Minister of Manpower and Immigration.

Could he say whether, under the training and retraining program that has been set up and to which a few million dollars were added, it will be possible for a greater number of people to get the benefit of courses and whether acceptance or refusal of applicants come under provincial jurisdiction or not? If so, could we here in Parliament nonetheless know what the criterions are?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): I would be glad at some time to discuss with the hon. member the detailed criteria for placing people in courses. Essentially, it is a matter of placing in courses those people who, in the opinion of manpower counsellors, seem to be likely to benefit most from them in the way of being able to obtain a job with the additional skill or training which the programs can provide. The additional money has been allotted for supplementary training to be offered in the various provinces across the country.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to ask the minister a supplementary question.

Is he aware of the fact that many applicants have been turned down supposedly because no space is available and registration is complete?

[*English*]

Mr. Lang: That is one of the reasons for refusing candidates training. On such occasions it has nothing to do with the individual. A limited amount of money is provided each year and this money is used in the best possible way for training programs. At that point, no further training programs can be offered.

* * *

• (3:10 p.m.)

GRAIN

REGULATIONS TO PROTECT FARMERS WITH CROP STILL IN SWATH AGAINST POSSIBLE LOSS OF QUOTAS

Mr. Craig Stewart (Marquette): Mr. Speaker, on November 15, as recorded at page 9557 of *Hansard*, I directed the following question to the minister responsible for the Canadian Wheat Board:

Because of the amount of crop still out in swath in western Canada and particularly in Manitoba, and as this grain will not be combined until spring, and because under the new quota system these farmers will not be able to take advantage of the earlier specified delivery dates, does the government intend to introduce regulations so these farmers will be protected against possible loss of quota under these circumstances?

The acting minister took the question as notice. Is the minister now in a position to answer it?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it would not be a matter requiring any change in the regulations. It would be a matter requiring further discussion with the Canadian Wheat Board, and a decision by them on whether anything can be done in the particular circumstances to help individual farmers. I will report to the House further.

* * *

MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST THAT CHURCH ORGANIZATIONS QUALIFY

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, this is a supplementary question, although it might be an ancillary question. The minister has been dealing with programs that will assist employment and one of them is the local initiatives program. I have received representations, as I am sure have other hon. members, from various church organizations across Canada asking whether or not they qualify because there have been cases in which their applications have been turned down. I ask the minister whether he will see to it, if it is not already the case, that church organizations will come within the provisions

of the program because they have a lot of work they can undertake which would provide assistance for those who are unemployed?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, church organizations do indeed qualify among the groups of responsible community organizations which can apply. There have been some approvals, I know, with regard to these organizations. I would have to look at specific cases to know if there have been any problems in the refusals to which the right hon. gentleman refers.

Mr. Diefenbaker: Mr. Speaker, will the minister give his assurance that church organizations, with regard to construction, fixing up of premises and the like, do come within the provisions of the program in question?

Mr. Lang: Mr. Speaker, there is nothing in the criteria as such which excludes them. In general, of course in making approvals the attempt is made to prefer those projects which have as broad a community betterment in them as possible, but that is more a matter of preference than of rigid eligibility.

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PUBLIC ACCOUNTS

ALLEGED ERRONEOUS STATEMENT BY COMMITTEE CHAIRMAN CONCERNING GOVERNMENT MAJORITY

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I wish to direct a question to the chairman of the Public Accounts Committee. Is it the intention of the chairman to recommend changes in the party standings within the Public Accounts Committee consistent with his erroneous statement over CBO radio this morning when he said that the Liberals constituted a majority on this committee?

Mr. A. D. Hales (Wellington): Mr. Speaker—

Mr. Speaker: Order, please. The hon. member may wish to rise on a point of order, but he will appreciate that the Chair cannot allow a question asked in this way of the chairman of a committee. That is not in order.

Mr. Hales: Mr. Speaker, I would like to rise on a point of privilege. I would be happy to say that if I did state the number of government members of the committee in error, I apologize. I gave the number of the members on the government side as 12, I believe, and the number is ten. I apologize. I gave them the benefit of the doubt of two more members. The correct standings in the committee are ten Liberals, six Conservatives, two NDP, and two Social Credit.

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IMMIGRATION

INQUIRY AS TO AMENDMENTS TO COPE WITH BACKLOG OF APPEALS

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In light of the announced total of some 7,500 appeals outstanding before the Immigration Appeal Board, a total that is increasing each week, is it the intention of the government to bring in legislation in the very near future to deal with the problem of appeals or the method by which the board deals with these appeals? Otherwise we will be in a terrible position.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Yes, Mr. Speaker.

SEDGWICK REPORT—INQUIRY AS TO IMPLEMENTATION OF RECOMMENDATIONS

Mr. Lincoln M. Alexander (Hamilton West): As a supplementary question, Mr. Speaker, can the minister advise the House as to the whereabouts of the Sedgwick report, whether or not in fact any of the recommendations in that report have been accepted by the government and, if so, when does the minister expect them to be implemented?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the report was tabled and I am sure the hon. member can find a copy of it somewhere. The report was taken into consideration by the department in looking at the question of appropriate changes to be made in our immigration appeal procedures, and of course this work will be reflected in the legislation to be brought forward.

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THE CANADIAN ECONOMY

LEVEL OF CANADIAN DOLLAR—POSSIBLE ADDITIONAL DEMANDS BY UNITED STATES REGARDING EXCHANGE RATE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I want to direct a question to the right hon. Prime Minister arising out of his optimism regarding a settlement of the international currency exchange rates problem. I want to ask if the American government has accepted the Canadian position that the unpegging of the Canadian dollar represents full compliance by Canada with the request of the United States, or whether any additional demands are being made on Canada with respect to the exchange rate?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I really would not venture to talk for the American government on this. I believe that, much as we are taking cautious negotiating positions and not stating our final aims and objectives, they are doing the same thing. My information from the Minister of Finance is that there has been some talk that they want Canada to do more, but as I told the Leader of the Opposition, I believe, this is not a subject that the President pressed on me.

BALANCE OF PAYMENTS—POSSIBLE ACCEPTANCE BY UNITED STATES OF CANADIAN POSITION

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I would ask the Prime Minister if the United States government has accepted the Canadian position, in light of Secretary Connally's demand that there be a

balance of trade, that the balance of payments ought to be the criterion as otherwise the invisible payments by Canada may leave her in a deficit position regarding the balance of payments? Has the American government accepted the Canadian position with respect to that situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, what I wanted to convey to the House was that on this general subject—and I am sure they know the difference between the over-all balance of payments and current accounts—the Americans did not have any preconceived notion as regards Canada. Secretary Connally did state publicly before several of us at the working dinner last night that one of the objectives of the United States was to reach a position of balanced trade with the world. He did not go further to comment on current accounts but he did make this statement on the side, and the President in talks with me did indicate he had no preconceived notion of how the current accounts should go with Canada.

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[*Translation*]

CANADIAN CULTURE

MULTICULTURALISM POLICY—PROTESTS FROM QUEBEC AND FRENCH-SPEAKING CHAMBERS OF COMMERCE

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

As the Quebec Premier has expressed serious reservations about the policy on multiculturalism and as the French-Canada Chambers of Commerce last Sunday spoke against setting up a single bilingual district in Quebec, can he tell us whether he intends to consider the arguments of Quebec as well as those of the Chambers of Commerce with a view to changing the policy?

Right Hon. P. E. Trudeau (Prime Minister): Of course, Mr. Speaker, I shall consider any reasonable representation and study the arguments to be presented to me in the future by the Quebec Premier, or which he has already set forth in the past as he did in a letter written to me some time ago; but I must say that, for the time being, I see no reason for changing the policy on multiculturalism the federal government now advocates.

* * *

[*English*]

PENITENTIARIES

COLLINS BAY—REQUEST FOR REINSTATEMENT OF CERTAIN PRIVILEGES TO RONALD STATFORD

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Solicitor General which is perhaps not as earthshaking as some of the others today. It involves an individual in Collins Bay penitentiary. Will the minister take action to rectify an injustice apparently done to Ronald Statford, an inmate of Collins Bay, who lost privileges to work on a theatrical production simply because he spoke to a reporter about his plans after his release from prison, and will the minister take into account that many politicians could be caught the same way?

[Mr. Douglas.]

Mr. Jerome: Except they are not in prison for it.

• (3:20 p.m.)

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, the inmate in question had been told that he would be allowed to work outside the penitentiary on the express condition that he would not meet representatives of the press. He broke his word; so, this privilege was taken away from him.

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[*English*]

EXTERNAL AFFAIRS

INDIA-PAKISTAN WAR—REQUEST FOR REPORT ON EVACUATION OF CANADIANS AND ALLEGED DAMAGE TO AIRCRAFT

Mr. J. M. Forrestall(Dartmouth-Halifax East): My question is directed to the Minister of National Defence, Mr. Speaker, and concerns the regrettable and deplorable incidents that are taking place in Pakistan with respect to Canadian efforts under United Nations sponsorship to get Canadian nationals and United Nations personnel out of that war area. I wonder if the minister can give us some report, particularly as to the authenticity of reports that Canadian military aircraft were fired on?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I can confirm that the report the aircraft had been damaged was false, but we cannot determine conclusively whether the aircraft was deliberately fired upon. There was at least one anti-aircraft burst close enough to the aircraft that it was heard by the crew when it was in the vicinity of three naval vessels in the area.

I can advise the House that negotiations have been resumed through U.N. headquarters in New York to try to get assurances from the different parties involved that the Hercules aircraft will be able to fly into Dacca for the purpose of bringing out U.N. personnel and other foreign nationals. We hope to get an agreement, if not a 24-hour truce, at least one from dawn to dusk to ensure that the operation would be effective.

Mr. Forrestall: A brief supplementary, Mr. Speaker. I am sure the minister would want to give us some indication as to the particular situation with which Canadian nationals in that country are faced. Are they in any danger?

Mr. Macdonald (Rosedale): Mr. Speaker, I do not know if my colleague, the Secretary of State for External Affairs, would like to comment on that. I can comment with regard to the armed forces personnel with the United Nations military observer group for Indian and Pakistan. While communications are not good, the information we receive is that they are not in any danger. Perhaps my colleague could comment on other nationals.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we are now taking steps to evacuate Canadians from West Pakistan. We believe the time has come when measures should be taken to remove some of

them to a safer location. Arrangements are now being made which we hope will achieve this purpose.

Mr. Speaker: Order, please. We have just about reached the end of the question period, but the hon. member for Lambton-Kent might be given an opportunity to ask his question.

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SECRETARY OF STATE

STUDY OF GERMAN HOSTELS BY DEPARTMENTAL EMPLOYEES

Mr. Mac T. McCutcheon (Lambton-Kent): My question is for the Secretary of State but I wonder if I may direct it to his parliamentary secretary. Can he advise the House during what months this winter the 12 employees of the minister's department will be making their study of German hostels? Further, can he explain why only 12 persons are required on this junket?

* * *

INDUSTRY

PULP AND PAPER—PROBLEMS DISCUSSED AT CONFERENCE AND TYPE OF AID OFFERED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Transport. As a result of his meetings yesterday with the pulp and paper industry, I wonder if the minister could indicate to the House what the main problems presented were and what aid was offered by the government?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I think the question might more appropriately be answered by the Minister of Industry, Trade and Commerce who was the chairman for the delegation, but in brief I can say that we ranged over virtually all the problems facing the industry and a number of specific proposals were put forward which will be considered.

Mr. Speaker: Order, please. I must apologize to the House. I did not understand the purport of the question. I would suggest to the hon. member that the question ought to have been directed primarily to the minister responsible rather than to the Minister of Transport who, I assume, did not attend the meeting in the capacity of Acting Minister of Industry, Trade and Commerce. If the hon. member has a supplementary it might be directed to the minister who has administrative responsibility.

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POLLUTION

PULP AND PAPER INDUSTRY—REQUEST FOR RELIEF FROM HIGH COST OF CONTROL MEASURES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I should like to direct my supplementary to the Minister of the Environment who has some responsibility. In view of the willingness of the government to consider aid to the pulp and paper industry, would the minister indicate whether he will accede to requests from the industry to relieve the high cost of implementing pollution control measures which can affect the future of the industry?

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, this matter is under close study jointly with the industry.

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UNITED NATIONS

REFERENCE OF INDIA-PAKISTAN WAR TO GENERAL ASSEMBLY—POSSIBLE FORMULATION OF PEACEKEEPING OPERATIONS

Mr. Warren Allmand (Notre-Dame-de-Grâce): My question is directed to the Secretary of State for External Affairs. Now that the Pakistan-Indian war has been referred to the General Assembly, is the Canadian government consulting with other members of the assembly with regard to the possibility of formulating ceasefire and peacekeeping operations? Has the minister anything to report on this?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer is yes, Mr. Speaker. Our delegate to the United Nations has been consulting closely with all the countries concerned. We are not at all satisfied that the kind of resolution that is likely to be put forward is one that is realistic, or has very much chance of being complied with, but we are doing our best to make it more realistic. We are hopeful that the assembly will take quick action.

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[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

SURVEILLANCE AT QUEBEC UNIVERSITIES—REQUEST FOR REPORT BY MINISTER

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a question to the Solicitor General.

Recently a female student leader stated that the RCMP had infiltrated Quebec universities to keep an eye on political activities of students. It has even been said that the federal police is paying students to watch the activities of their fellow students.

Faced with this serious charge, would the minister be in a position to inform the House about federal police activities on Quebec university campuses?

Mr. Speaker: I hope the minister can reply briefly, as the hon. member's question is one which I feel should normally be answered on motions. If the minister can reply very briefly, the Chair will allow him to do so. Otherwise, I will have to remind hon. members that we have to proceed with orders of the day.

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have met on two recent occasions with representa-

tives of the Canadian Association of University Professors to inform them that basically the policy announced by Mr. Pearson in 1963 has not changed. As for the details of those meetings, I suppose they will appear in the Association's official publications.

I must say that for some time now I have been reading quite a number of paranoid statements made on this issue by certain university professors and students.

[*English*]

Mr. Speaker: Order, please. With the consent of the House, the hon. member for Greenwood might be allowed to ask the supplementary he has been trying to ask for a while.

* * *

EXTERNAL AFFAIRS

EAST PAKISTANI REFUGEES—CONTINUATION OF AID

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. The minister implied yesterday in reply to a question from my colleague, the hon. member for Yorkton-Melville, that the Canadian contribution to the relief of refugees from East Pakistan would be continued. I should like to ask the minister whether he would make it explicit that aid to the innocent victims will not be diminished by political events as long as it is possible to make sure that they are the actual recipients of the aid?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I can confirm that position and add that it is one of the purposes of the Canadian government to try to keep politics out of humanitarian endeavours.

Mr. Speaker: Orders of the day. The hon. member for Humber-St. George's-St. Barbe rises on a point of order.

Mr. Marshall: Mr. Speaker, just to clarify my position, may I say that the reason I asked the Minister of Transport the question on pulp and paper was an article in the *Globe and Mail* indicating that he did make a statement on the matter, and the Minister of Industry, Trade and Commerce was out of the country.

Mr. McGrath: On the same point of order, Mr. Speaker. I think it places members of this House at a decided disadvantage when ministers assume responsibilities outside the House other than those required by statute. This is especially apparent with the Minister of Transport who speaks for every department of government in his own province, but we are confined to asking him questions on his own responsibility as Minister of Transport. In this particular instance, the Minister of Transport negotiated with the pulp and paper industry on behalf of the government of Canada, and I think that members of the House should be allowed to direct questions to him in that capacity.

Mr. Speaker: I merely stated the rule which has existed for a long time. Although I am not expert in political matters, it may well be that the practice of ministers making that kind of statement has been in effect for many years. I would think that both situations have prevailed for a while and that ministers have sometimes been known to make statements about matters other than their own administrative responsibilities, but even in these circumstances the rule has applied. I have to apply the rule as it exists. Perhaps it is not justified in certain instances, but the rule is there and I would not think hon. members would think the Chair is authorized to make exceptions to it even in special circumstances. Orders of the day.

• (3:30 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Monday, December 6, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon amendments to that act—Mr. Benson—Mr. Laniel in the chair.

The Deputy Chairman: Order, please. In view of the statement of the Parliamentary Secretary to Minister of Finance to be found at page 10199 of *Hansard* for December 6, 1971, the committee will now resume consideration of clauses 57(1) and 58 as well as sections 135, 136 and 137 of clause 1. May I bring to the attention of the committee the amendment proposed by the President of the Privy Council to clause 57, as indicated at page 10178 of *Hansard* for December 6, 1971.

On clause 57—*Specified personal corporations*—

Mr. Thomas (Moncton): Mr. Chairman, we, on this side of the House, look on the amendment proposed by the President of the Privy Council with a great deal of satisfaction for two reasons. First, it is encouraging to know that a government even as bullheaded and arrogant as this government can be persuaded finally to think that, possibly, it has been wrong. This is a major breakthrough and it gives us much satisfaction. The amendments also disprove many statements which members on the government side of the House have made on radio, television and in the press, as well as in the House.

An hon. Member: And through leaks.

Mr. Thomas (Moncton): I am not talking about leaks; that is another matter. Those hon. members have suggested that we are wasting time debating this bill because government experts have studied the bill and everything is fine. They have said that we are obstructing, and holding up the passage of legislation. We, on this side, have always held that legislation should not be put through simply because the government has proposed it, because Liberal government legislation is not, per se, good legislation. We have always made that point. Now, by bringing in these amendments, the government has proved the necessity and the value of debate in the functioning of a free Parliament. If any proof were needed that it is the function of the opposition to point out flaws in the legislation, the proof has been supplied by the government. We must point out that legislation is bad and let the people know what is happening. That is why we debate bills like this

one, and that is what parliament is all about. As I said, if any proof were needed of the value of Parliament and parliamentary functions, that proof is supplied by these amendments we have been asked to consider.

The opposition attacked this legislation from the beginning. As early as September 14, in the second reading debate, the Leader of the Opposition, in referring to these sections of the tax legislation, said that the co-operative and credit union movements must not be killed. They must not be crippled by hasty and ill conceived legislation and we, in the opposition, must make certain that this does not happen. Well, if we had listened to our friends opposite, we should not have discussed these particular sections of the bill. They told us that this was great legislation, that it has been studied by their experts, by civil servants who sit in ivory towers, read text books and draw up legislation, and that everything about the bill was fine. How much do these civil servants know about the world of farming and business? They do not know much about running businesses and, obviously, they did not appreciate the true function of the co-operative and credit union movements. If it had not been for the work of the opposition in this House, these sections would have been rushed through by the rubberstamp members on the other side. That is what they were told to do.

You know, it is amusing for members on this side to see how government supporters can swallow their own words. I remember that on the finance committee the government had a majority. The committee gave its rubberstamp approval to the co-op sections, as they were then drafted. When the bill came into the House, the opposition had a chance to point out the inequities in these particular sections. All the backbenchers on the government side, and I will exclude the hon. member for Grenville-Carleton and the hon. member for Ottawa West, because early in the debate they said that these sections were bad and should be changed, accepted the Liberal philosophy. They had been told to do so by the Minister of Finance, by the Prime Minister or by others in that party.

Suddenly, after the debate in Parliament made people aware of this bad legislation, we find the trained seals on the other side wanting to get into the act. Now, they are beginning to tell us what they think about the legislation. Why did they not speak up in committee and in the second reading debate? Why were they all, except the two hon. members to whom I referred, silent? Suddenly, however, they realize that something is wrong with the bill and they think that perhaps they had better get in on the act. If we have accomplished nothing else during the present session, we have at least proved the real value of parliamentary debate. The members on the other side, whose leaders seem to think that they run a sausage machine type of operation and that it would be a mistake to permit their supporters to speak their minds, are now speaking up. They were the people who were complaining most about the opposition wasting time in debating this bill in Parliament. I can only say to those people, if that time was wasted it was well wasted. We have amendments now that will correct a great deal—

The Deputy Chairman: Order, please. There is too much noise in the chamber. I have wanted to interrupt the hon. member for the last little while. I do not think I ought to allow him to pursue his remarks in the present vein. As the hon. member knows, we are at this time studying a specific part of the bill in committee. I was hoping that he would relate his remarks more closely to the clauses that are now in front of the committee. I do not think the Chair should allow an open debate on the principles of the bill or the principles of debate at this time.

Mr. MacDonald (Egmont): On a point of order, Mr. Chairman, I listened carefully to the remarks of the hon. member for Moncton and I feel that he was dealing with the amendments before the committee.

An hon. Member: Nonsense.

Mr. MacDonald (Egmont): I do not feel it is correct to say that he has in any way departed from the subject before the committee this afternoon.

The Deputy Chairman: Order, please. The hon. member must understand that the Chair has also been listening carefully to the remarks of the hon. member for Moncton.

Mr. Thomas (Moncton): Mr. Chairman, apparently we are not speaking the same language. I have been talking about the amendments to these particular sections dealing with co-ops. That is all I have been talking about, and I do not know how I could make my remarks any clearer. I will try. I was saying that the opposition recognized right from the beginning, with the introduction of the white paper, that these sections dealing with co-ops were bad. We opposed this part of the legislation from the beginning. I am now saying that we may take some small satisfaction from having prevailed on this bullheaded, stubborn government to make some necessary changes.

We do not agree entirely with the new provisions but, at least, they are much better than the original sections of the bill. We pointed out from the beginning that the arbitrary method of taxing co-ops was unique in the world. It was something that had been pulled out of the hat. No one on the government side, so far as I know, spoke on the capital employed concept after I had spoken on second reading and in committee. I suggested that the government should consider seriously deleting these particular sections of the bill or, at least, giving; them further, serious study and deciding whether there was not some better way of taxing co-ops than under the capital employed concept.

I do not think anybody has suggested, and certainly the co-ops have not, that the co-operatives are not prepared to pay their fair share of income tax. We have heard the suggestion from people who oppose co-ops that they were not paying their fair share of tax. However, never in any of my conversations with members of co-ops have I ever heard them suggest they were trying to avoid taxation. They have always been prepared to pay their fair share of taxation, given the peculiar nature of the co-op as distinct from other incorporated companies.

• (3:40 p.m.)

We suggested that these sections be removed from the bill and some satisfactory way of taxing co-ops and credit unions be devised. I realize these amendments tie in pretty well with the presentation of the co-ops to the finance committee and the minister. I presume, therefore, that the

co-ops and credit unions are quite happy with them. I do not say that I am completely satisfied with these amendments. However, since they are so much better than the original sections in the bill, I think I speak for my party when I say we will wholeheartedly support these amendments.

Mr. Whelan: Mr. Chairman, I would be remiss if I did not say a few words at this time about these amendments—

An hon. Member: You are not on yet.

Mr. Whelan: I am on now.

Some hon. Members: Hear, hear!

Mr. Whelan: I would be remiss at this time if I did not say a few words about these amendments submitted by the President of the Privy Council on behalf of the Minister of Finance. First, I say, to him and the government, thanks on behalf of all the credit unions, caisses populaires and co-ops in Canada, if I can be so vain as to take that right unto myself. I wanted to make it plain that I am not saying this because I will not have to resign or because of any statements that I made at that time, but because of the great assistance these amendments will be to over 5½ million people in Canada. These Canadians believe in helping themselves and, in turn, by the very type of their operation, help Canada as a nation. I have talked to some of the credit union, caisse populaire and co-operative people since these amendments have been submitted to the House. I have been informed that they are quite happy with them. If they are happy and satisfied, Mr. Chairman, so am I.

At this time I would like to compliment the officials of the caisse populaire, credit unions and co-operatives for the way they made their representations to Members of Parliament.

Some hon. Members: Hear, hear!

Mr. Whelan: At all times their representations were made in a very responsible, reasonable, respectable and informative manner. Other groups who make representations to Members of Parliament should take a lesson from them as to how it should be done. To the many members of credit unions, co-operatives and caisses populaires, as well as people from all parts of Canada who wrote us letters and made other forms of representation by telephone or personally, the same remarks apply to them. At this time I want to say that all the representations I made to the government in the normal form in caucus and so on were received in a good fashion. They were always ready to listen. I did not know how far their amendments would go. Some said I made too strong a representation on behalf of the co-operatives and other organizations affected by this legislation. I do not think I did. I do not think I have ever felt so strong about any issue that I have been confronted with since becoming a Member of Parliament. I meant every word I said.

We on this side of the House, regardless of what people on the other side of the House and in other parts of the country may think, have feelings for people. The government has proved it has feelings for people by its action in bringing in these amendments.

[Mr. Thomas (Moncton).]

Some hon. Members: Hear, hear!

Mr. Whelan: I received telegrams and so on from people across Canada, from my own area and Ontario, complimenting the government upon bringing in these amendments. In my opinion, these amendments are a new charter to co-ops, credit unions and caisses populaires. It might be said that this is a magna carta for these associations.

Mr. Burton: Mr. Chairman, on behalf of the New Democratic Party, I wish to state that we support the amendments introduced yesterday by the President of the Privy Council. They are in line with the amendment I moved on November 18 on behalf of the members of the New Democratic Party. We are happy that the Minister of Finance has at last seen the light or had a change of heart. If this amendment is not the result of the minister seeing the light or having a change of heart, then someone else got to him and successfully twisted his arm.

It is important to note that this is an historic day for the co-operative and credit union movement in Canada. In fact, it has been said they are receiving a new charter. This is a new day for them, since a taxation provision which has been on the statute books of Canada for 25 years, one which can only be classified as discriminatory and iniquitous as it applied to co-operatives, has at last been repealed. It might be interesting to note that it is 25 years since the capital employed concept of taxing co-operatives was introduced. It was in the summer of 1946 when, following considerable study of the subject and after a good deal of pressure from organizations that I need not name at this moment, the government buckled and introduced a piece of legislation which set the stage for discrimination against the co-operative movement in Canada.

When this subject was debated in the summer of 1946, I had the opportunity of sitting in the gallery of this House of Commons and listening to some of the debate on the subject. I recall listening to Mr. T. J. Bentley, the late member for Swift Current, outlining the operation of co-operatives in a very simple fashion. It should have been very simple for anyone to understand but, even at that time, it was apparent that some members of the government had a great deal of difficulty understanding some of the elementary concepts involved. Later in the House of Commons, I listened to my late father, Mr. J. W. Burton, the member for Humboldt, speaking on this same subject. I took note of some of the remarks he made at that time, along with the late Mr. Bentley. One sentence my father used in the debate at that time is as relevant today as then. He made this statement, and I quote:

> There is the other factor, the minister's attempt to force all cooperatives into paying a return on the invested capital. I ask: Where is their so-called free enterprise when they are forcing those who find good in the cooperative movement to accept their pagan philosophy that the wages of money must receive the first consideration? That is a vital question in so far as those of us who are in the cooperative movement are concerned.

That statement is as relevant today as when it was made on July 18, 1946, 25 years ago. My hon. friend from Winnipeg North Centre was here at the time.

• (3:50 p.m.)

An hon. Member: He has been here since the olden days.

Mr. Burton: This subject was debated in committee of the whole on November 18 and 19. The discussion centred on the inequity involved in the government's proposals as contained in Bill C-259. I wish to place on record the fact that there were objections from both sides of the House. Members of the New Democratic Party were unequivocal in their stand. They made it clear they were opposed to the government's proposals as they were first put forward, and even to the later modifications, because those amounted simply to a change in degree, not to a change in principle. I moved an amendment to strike out the capital employed concept for taxing co-operatives. I noted that consequential amendments would be required to give effect to such a change and to introduce the alternative of a withholding tax as had been proposed by the co-operative movement and by the Co-operative Union of Canada in particular. The New Democratic Party was unanimous in its opposition to the proposals in the bill and in calling upon the government to accept the proposals which had been placed before it by the Co-operative Union of Canada. We are happy that at last the government has seen fit to accept those proposals.

It is interesting to note the changes which have been made in the government's position on this matter during the past year. In the white paper originally submitted late in 1969, it was proposed to retain the capital employment concept as applied to co-operatives and to extend it to the credit union movement, which was obviously ridiculous. In addition, it called for an increase in the level of capital employed which would be used to calculate the taxation of co-operatives and credit unions—there would be an increase from 3 per cent to 7 per cent. Objection was taken to this and the government thought it was responding by saying: Well, the old legislation fixed it at 3 per cent, the white paper said 7 per cent, so let us split the difference. The result will be a nice compromise. It is a question, Mr. Chairman, whether slow strangulation is preferable to quick strangulation. That is the only difference. Later, the government was forced to admit that its proposals were still not good enough.

The administration came up with a third proposal under which an option would be given to the co-operatives: they could be taxed at the lesser of the 5 per cent capital employed formula or one-third of taxable income in the way any normal corporation operates. This proposition, too, was unacceptable because it opened the door to further changes which might destroy the movement. Now, a fundamental change has been proposed and placed before the committee. We are happy that this change has been made by the government.

Some hon. Members: Hear, hear!

Mr. Burton: I was particularly interested in one statement made by the President of the Privy Council when he introduced this new proposal yesterday afternoon. He said that rather than modify the old system, a system which was inappropriate to start with, the government would seek a new and more appropriate method which would recognize that a co-operative was a group of people who had organized to help themselves. I agree with that point of view. I took particular note of the comment "a system which was inappropriate to start with." It seems to me it is not a case of someone suddenly seeing the light. This must have been known to some people in the government for a long time before the minister made his statement yesterday, and I can only conclude there must have been tremendous pressures on the government from behind the scenes which prevented them making such a necessary change before the minister made his statement yesterday.

The amendments which have been introduced recognize that co-operatives and credit unions are non profit-making institutions designed to provide a service to members at the lowest possible cost. The rule for taxation should be the proper taxation of refunds in the hands of recipients. The proposals now introduced do include coverage of two points which the co-operative and credit union movement has fully acknowledged. The first is that there should be full taxation of earnings by non-members. There is no question about this. Second, there should also be taxation of undistributed earnings. These are important points which need to be kept in mind. We are very happy with the provision for the taxation of patronage funds in the hands of recipients, taxation to be confined to refunds which are associated with the individual's business in earning a living; in other words, directly related to business rather than to consumer purchase.

As a result of these changes which, I am sure, will be approved, the co-operative and credit union movement is faced with a new challenge to do even more in our society than has been done in the past. Taxation impediments have now been removed. This opens the door to new opportunities for the movement. The co-operative and credit union movement has already made a significant contribution to the welfare of the Canadian people. It is also making a significant contribution on the international scene. In the developing countries of the world, the co-operative and credit union movement is considered an important tool in improving conditions and providing for a greater measure of equity between nations. There is a continuing role for the movement to play in Canada and on the world scene. New opportunities will emerge, new challenges will have to be faced. I certainly hope that both the co-operatives and the credit unions can accept these challenges and play the full role which they must play if we are to see a better Canada. They can make a significant contribution toward achieving greater equity among the Canadian people; and doing away with the injustices which have been so rife in our society. And, as I say, they can make a significant contribution to national development. All these things are part of the job which the movement must carry out. Now, let us get on with the job. The Parliament of Canada has gone a good deal in introducing and implementing these amendments as they affect the co-operative and the credit union movements.

• (4:00 p.m.)

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to say a few words on this amendment which has at last been brought before the House, not without difficulties, because yesterday I attended the discussion on the amendments and subamendments which had to be withdrawn in favour of the one presently under study.

Frankly I was disappointed to note that the department was confused and seemed to wonder what the officials

had put in the wording of the bill for things to be mixed up that way. We wondered if the amendment would be read or moved. Some Liberal members yelled not to do anything nor talk about it. We simply had to read the amendment since there were only two days left. Two days! One day of debate in Parliament represents four hours only, and often much less. Which means that we have approximately seven or eight hours of debate left and then it will be said that the opposition carried on a filibuster for four, five or six days, which is absolutely untrue. I would like the Canadian people to know that a day in Parliament is not eight hours long, but more often lasts only two hours. We therefore have only seven hours to discuss that bill of 700 pages with amendments and subamendments covering over 300 pages and we will have to pass it, because we are now under closure.

Those amendments were read yesterday and I arrived here early this morning to examine them. Unfortunately, they have just been distributed to us which means it will be quite difficult for us to study them. All I read on the matter was the report published this morning in the newspaper *Le Devoir* and I quote:

New Amendments in favour of Co-operatives and Credit Unions

I object against those misleading headlines, especially since they refer to "amendments in favour of co-operatives and credit unions".

In order to encourage co-operatives and credit unions, the government should have left them as they are. I would have supported that but I am objecting now because we are destroying something that made no sense to replace it with something else that does not make much more sense either.

Mr. Chairman, I quote from the paper's article:

NEW AMENDMENTS IN FAVOUR OF CO-OPERATIVES AND CREDIT UNIONS

The government leader in the House, Mr. Allan MacEachen, announced yesterday during the debate on the tax reform bill that the "employed capital" concept will be abandoned with regard to co-operatives.

Thus, the income of co-operatives resulting from business transacted with their members and which is distributed in the form of patronage dividends will not be taxed. The ceiling on admissible deductions for such patronage dividends will be removed.

As a substitute, the government has proposed that the patronage dividends be subject to a withholding tax of 15 per cent to be applied to any amount in excess of $100 paid to a member in a given year. The withholding tax collected will be reimbursable to the extent that it exceeds the amount of tax owed by the taxpayer.

Mr. MacEachen has indicated that those receiving patronage dividends will be treated as they were before, that is to say if the dividend is related to the business of the man receiving it, it will be included in his income for income tax purposes.

In the case of the small credit unions and the caisses populaires, the government has decided to tax their income at the rate of 25 per cent as long as their reserves exceeding those allowed under the Income Tax Act do not exceed by more than 5 per cent the deposits and capital stock.

In the opinion of Mr. MacEachen this special prerogative to use an effective taxe rate of 25 per cent on corporate income may well be insufficient for the small credit unions and the caisses populaires which would require reserves upward of 5 per cent to ensure there financial stability.

[Mr. Gauthier.]

I will stop here Mr. Chairman, because the minister admits it may not be enough for small credit unions. But he does not give a darn about it. Small credit unions may disappear or keep on losing ground, he does not care. That is exactly what the government wants in proposing those amendments.

We have always stood by the principle that whenever obligations are imposed upon the caisses populaires, they should be granted at least the same benefits as others. If we compare the caisses populaires to the chartered banks and if, at the outset, we wish to tax them as much as chartered banks, they should get the same benefits as the chartered banks and should be able to create as much credit as those banks. If the caisses populaires could, whenever they have $6, lend $100, we would not have anything to say. The caisses populaires would then say that they can pay their taxes. But that is not what happens: it is even worse because the caisses populaires are not given the right to have hidden reserves like the ones the chartered banks have had for years. Those hidden reserves amount to one, two, three, four or five billion dollars. Chartered banks never paid and will never pay any tax on that. Nothing is said about it; small caisses populaires and credit unions have to pay, we try to collect a few cents from them, sparing the big shots who have everything for nothing and who are undermining our economy. And Canadians must pay for that.

• (4:10 p.m.)

Mr. Chairman, I have realized since I came to this House, that there are two ways of having a tax accepted. First of all, the government confronts us with an apparently inoffensive bill, but later progressively increases taxation each year or twice a year. In that way, it reaches its goal, which is taxation at the rate of 100 per cent. In the past, several governments resorted to such a method.

However, this government is using another strategy in order to have its proposed taxes accepted. It stuns its victim with white papers in which the 100 per cent tax rate is suggested. No doubt it was noted that each time a white paper is published, Canadians react with rage, precisely, because it proposes maximum taxation. After the first shock, hon. members consider the white paper, express criticism, point to the drawbacks and finally propose amendments. Therefore this means that opposition members have endorsed its principle whereas, at the outset, we simply stated that we rejected the principle of both the tax and the omnibus bill. In other words, most of the opposition members have accepted the principle once the first fight has been won. This is precisely the government's intention: have the taxation principle accepted so as to appear more conciliatory while reaching its original objective, namely the desired taxation level. I agree this is quite clever on the part of the senior officials who often spend three or four years studying the method they will use before tabling a bill in the House. This is how the government manages to have the House adopt as a lesser evil an unfair and unpopular tax.

The caisses populaires have accepted that as a lesser evil: instead of having their throat cut, they will have their hand cut. This government goes even further since it has the absolute majority. In order to disguise its indigestible measures, it invents omnibus bills like Bill C-259 with its

700 pages, not to mention the amendments that cover 300 additional pages.

Of course, the public will not be able to say that those thousands of top civil servants who are lavishly paid from our taxes are doing nothing. It is their job to cheat us in a clever manner and they manage to do that. The proof is that the majority of this House will carry Bill C-259 which will extort an additional $1.5 billion or more from our workers by resorting to closure. Again, whatever the minister might say, this notorious bill will enrich the treasury by more than $1.5 billion through taxes.

You can't work over such a long period on a bill seeking to extract a few more billion dollars without everyone noticing it. That is the purpose of the bill. Let us hope that the days of the "tax-happy people" are numbered. That is my heartfelt hope so that there may be a change of policy before our population is plunged into the blood-bath of a civil war mongered by the finance hawks who exercise a dictatorship over our country.

In the meantime, I tell government members: Tax away, go ahead, and hurry up before you are thrown out.

We of the Social Credit Party, who have long identified the real thieves of our vast national wealth, we tell the puppets of finance that their act has come to an end and our group was not taken in. That is why we have never recognized even the principle of this notorious omnibus bill. We have never accepted that monstruosity of a bill and we will vote against it. As for the caisses populaires, instead of cutting their throat they will cut their hand. We shall tolerate the amendments as a lesser evil but we will vote against the very principle of the bill.

[*English*]

Mr. McBride: Mr. Speaker, I had not intended to speak today until a moment ago when I heard the hon. member for Moncton. It is very difficult indeed to remain seated after the vitriolic nonsense couched in typical negative verbiage that he heaped upon our heads over here with his typical pompous scorn.

An hon. Member: Now, we are to hear some more.

Mr. McBride: It may well be that it is the role of the opposition, as he pointed out, to complain, and then if something useful is done to jump on the bandwagon and say, "Look, Canada, what we have done for you". It is unfortunate the hon. member is not here because I hate to speak about an hon. member who is absent. But be that as it may, I have rarely heard such negative nonsense as we were privileged to hear this afternoon from the hon. member for Moncton.

So far as these amendments are concerned, he attempted to create the impression that somehow the government and the House of Commons, all of us to whom he referred as trained seals, had no idea there was anything wrong until the Official Opposition pointed out to us that there should be a change made concerning co-operatives and credit unions. That was done, I suppose, to get some political Brownie points, to quote the distinguished hon. member for Kenora-Rainy River, and to convince at least the supporters of the opposition, who I understand are meeting this afternoon at the Chateau Laurier, that this was the case which it was not.

So far as co-operatives in particular are concerned—and I am not so familiar with credit unions—we have been subjected in recent weeks to one of the ablest lobbies that has ever been mounted since I have been a member of this House. I think the credit ought to go to the representatives of the co-operative movement, and I must refer to those I know best, in the province of Ontario, who were sufficiently responsible citizens to come here not for political gain or to create a lot of turmoil and get a lot of notice in the press, but rather with cogent and concise arguments. They came forward and said to many of us, "Look, I think you might take another look at these sections which are before you because we think changes ought to be made." They made their case well and, more than any other single factor are responsible for the results we see before us today. The hon. member for Essex explained this very well as he can so ably do. I wish to concur with what he said when he pointed out that the credit should go to the leaders of the co-operative movement.

There is another thing I am delighted to say which refers directly to the hon. member for Essex. All of us know that very few members are as diligent in pursuing things about which they feel strongly as is this particular member. One day, if changes were not made, he threatened to kick up a storm in this House, and elsewhere I presume, the like of which we had never seen and would never see again. We all know that the respected leader of the Official Opposition commands the name of "Big Thunder" in many circles in Canada, but I want to suggest to the House that even "Big Thunder" himself would be like a Pacific breeze in a tropical island compared to the tornado that could be kicked up by the hon. member for Essex if he so decided to do.

The point I am trying to make is that for the sake of peace, order and good government, if for no other reason, those of us on this side of the House who hold in awe and respect the hon. member for Essex had to work very hard to see if we could give him what he wanted. I think it is extremely important to note that the hon. member for Regina East points out that he has been asking for this sort of thing for a long time, too, and that his party is fully behind these amendments. When action such as this is taken, I suppose we should expect a lot of me-tooism. In a sense, I suppose, this is always the weakness of any government which attempts to listen to the people. Certainly, it is the weakness of the white paper technique of participatory democracy, because if you do listen to the people and do respond to what the people request there are always some political opportunists who will use that fact against you for political gain. However, I think we ought not to be disheartened by people like the hon. member for Regina East, but rather essentially ignore them and take seriously into consideration the fact that a good government ought to listen to people who have a case to make, as the co-operatives have done so ably, and then go on to take action which takes their position seriously.

It is for that reason of course that the government has decided to abandon the idea of capital employed. From this point forward, co-operatives will not be taxed on income from business which is distributed to members in the form of patronage dividends. I could go on, but all members are quite familiar with this. I want to conclude

by saying one other thing. I, like many other members, have had a good deal of correspondence on this subject. I want to take the time to read two short paragraphs from a letter which came to me from a Mr. Plewes of Carp, Ontario which read as follows:

• (4:20 p.m.)

Credit unions are non profit organizations which help low income people to borrow at reasonable rates. We need them today as we always have, more so indeed. The proposed tax will wipe out many credit unions, if you do not believe this you will have to prove it for yourselves, by which time it will be too late to right matters.

I am bringing this to your attention in the naïve hope that you will see the truth of it and do something about it. I must say that it always seems to me an exercise in futility to write to a member of parliament about anything whatsoever, but hope springs eternal.

The point I want to make is that too few Canadians recognize the pressure they can bring to bear on the democratic process by putting their views forward to their representatives. I want this citizen to learn that his views have played a small part in effecting a big change. But we must all recognize that, in spite of the very negative attitude of the hon. member for Moncton, his obvious hostility toward what the government is and what it represents, in spite of the kind of position that he took even on an amendment that he wanted to approve, and in spite of the obvious political disadvantage of the kind of me-tooism represented by the hon. member for Regina East, this is a good government doing what a good government should do. We have introduced amendments which will help the co-operative movement in all parts of Canada, even in the riding that is represented, either capably or incapably as you wish to judge, by the hon. member for Yorkton-Melville who is giving a mini-speech while remaining seated as I am addressing the Committee. I think the credit for what has happened must go to the co-operative movement, to the minister and his representatives, who were willing to listen to the representations that were made from many quarters. Among those who most ably made representations were the hon. member for Essex, the hon. member for Grenville-Carleton and a great many others.

Mr. Lambert (Edmonton West): How unctuous can you get.

Mr. MacDonald (Egmont): Mr. Chairman, we are grateful for the reminder that has been given to us by the hon. member for Lanark-Renfrew-Carleton this afternoon indicating to us just how difficult it has been to persuade the Prime Minister and his colleagues of the wisdom of the action they have finally taken. He pointed out, along with other members of the House, the lengths to which not only opposition members but government members such as the distinguished member for Essex were prepared to go in order to set on the correct path a government that seemed to be completely oblivious of such an important issue. I think all hon. members should be grateful to the hon. member for Lanark-Renfrew-Carleton for putting that on the record again, because, quite frankly, in these dying hours of debate we have an opportunity to reflect, not only on how we have arrived at our present situation with respect to an important piece of legislation which is now being forced upon the country because of the government's imposition of closure, but on what is perhaps the overriding characteristic of this government.

[Mr. McBride.]

I think perhaps the hon. member was so caught up in his own oratorical skills that he inadvertently contradicted himself by saying at one point that it must be the weakness of this government that it listens to the people. Whatever the weaknesses of this government are, it will never be criticized for being weak to the point of listening to the people, and no one will be able to say that more objectively and more enthusiastically than the thousands of members of co-operatives and credit union movements who have agonized over the utterly inept performance of this government in dealing with one of the economic keystones of our country.

We all agree this afternoon, government and opposition alike, because the government has finally come to its senses. The important question is not to score brownie points on the issue, whether it is the hon. member for Lanark-Renfrew-Carleton or anyone else, but to realize substantially what lies behind the days of debate that have taken place in the committee which would have been totally unnecessary had this government responded to the reasonable requests put forward not only last summer following the introduction of the taxation bill by the Minister of Finance but put forward months and years ahead of that and which were seemingly extremely sensible to all members except those on the government side.

Surely, it is quite clear, and it should be clear to the people of this country, that the imposition of closure is contrary to the interests of the people and this has been demonstrated by the fact the government has responded to the requests for these amendments. The government has said that it is necessary to use closure in order to get this legislation adopted, while at the same time, as I pointed out to the House leader last week, it had to bring in further amendments in order to deal with the incredible situation in which the government has placed itself. Why did this happen? Why was it necessary for the government—

Mr. Gibson: This is participatory democracy and it works.

Mr. MacDonald (Egmont): This is participatory democracy which refuses to listen until every last ounce of pressure is exerted.

Mr. Gibson: Your speech is out of date now.

Mr. MacDonald (Egmont): I am not concerned about whether or not my speech is out of date.

The Assistant Deputy Chairman: Order, please. I would like to hear what is being said by the hon. member for Egmont, so I will ask the hon. member to take his seat to allow the hon. member for Egmont to continue.

Mr. MacDonald (Egmont): Mr. Chairman, I think there is more than arrogance—

Mr. Gibson: Repetitive nonsense.

Mr. MacDonald (Egmont): I hope that it will be possible at some time to give a medical examination to the hon. member opposite who finds it impossible—

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Is the hon. member for Hamilton-Wentworth rising on a point of order?

Mr. Gibson: On a question of privilege, Mr. Chairman. I should like to say that my wife found me to be rather cranky the other day. I did go to a doctor and I received a clean bill of health, but I think it is high time that the Conservative party organized a research team to investigate some of their members.

The Assistant Deputy Chairman: Order, please. The hon. member for Egmont has the floor.

Mr. MacDonald (Egmont): I am glad that at least the hon. member is on the right track, Mr. Chairman. I hope that they will find out what causes the disability which makes him speak more efficiently while seated than on his feet, and once that is corrected perhaps he will be serviceable to the House.

I think it was more than insensitivity, arrogance or some kind of death wish that propelled the government to continue its policies, almost to the final hour, with regard to the taxation of co-operatives and credit unions.

Mr. Mahoney: This is an expert analysis.

Mr. MacDonald (Egmont): As expert as any the hon. member opposite presented with regard to this matter.

I think that the heart of the matter here is that the government, whether it is the Prime Minister or the Minister of Finance, has never really taken the time and trouble to consider what the co-operative and credit union movement was all about. I am glad that the Prime Minister is making one of his rare visits this afternoon during the debate, because perhaps, unlike last week when he was not prepared to listen, he might be prepared to listen this afternoon. I notice he is not listening at the moment, but that is not unusual for this Prime Minister.

An hon. Member: Why don't you listen?

Mr. MacDonald (Egmont): I am endeavouring to listen but some people would rather speak while remaining seated than on their feet.

An hon. Member: They make more sense.

• (4:30 p.m.)

Mr. MacDonald (Egmont): The problem from the beginning, from last June, was an unwillingness to accept the unique economic and social role played by the co-op and credit union movement. It was obvious, even to a layman such as myself—I am not an active member either of a co-op or a credit union—that the government, in some kind of ham-handed way, had tried to deal with the co-op and credit union movement on the same basis as it would deal with any corporation or business enterprise. That has been the essence of the problem.

Somehow or other members of the government got themselves convinced, and it must be assumed not with a great deal of thought, that they could simply enact the same kind of tax laws to apply to co-ops and credit unions that apply to other forms of economic activity. There was no willingness to consider what has been a basic principle from the beginning of the co-op and credit union movement, the principle of member participation and of equity in terms of that participation. As long as members of the government were looking at this in terms of what I would call a completely austere and unrealistic economic outlook, they were in effect willing to destroy the heart and soul of the co-op and credit union movement.

An hon. Member: That is illusory.

Mr. MacDonald (Egmont): If it is illusory I would like to know why the Minister of Finance has finally agreed to these changes.

Mr. Gibson: Isn't that what you want him to do?

Mr. MacDonald (Egmont): Exactly. You are not listening.

Mr. Gibson: Yes, I am. This is a lot of nonsense.

Mr. MacDonald (Egmont): If you can control that space below your nose you will be able to listen more carefully.

Mr. Gibson: I am listening carefully, and it is all nonsense.

The Assistant Deputy Chairman: Order. I wish that the hon. member for Hamilton-Wentworth would please let the hon. member finish his speech.

Mr. MacDonald (Egmont): Mr. Chairman, I don't really mind. A good speech always needs a little comic relief and the hon. member is providing that. It is obvious that it took the government some months to understand that there is something important about member participation in the co-op and credit union movement. It is obvious that that is such a basic principle that members on both sides of the House were willing to go to rather extreme lengths to preserve that principle, in the belief that failure to adhere to it in terms of our tax laws would ultimately destroy the co-op and credit union movement.

Much has been said in this chamber with respect to what would have happened had the government not taken the advice offered from all sides and by a variety of individuals. That principle has now been preserved, and we must be careful to prevent a possible future reversal through some further blunderous excursion, either by this government or any successor of it, which could destroy the unique contribution that is continuously made every day by the co-op and credit union movement.

I think it is important for the people of the country to realize that this House performs a very vital function in the democratic exercise in protecting their rights and privileges. In this instance, we have seen a clear example of the importance of debate on the dangerous changes that the government had advocated for so many months for co-ops and credit unions. Lamentably, Mr. Chairman, we are only a few hours away from the time when debate will be cut off on this bill, and I shudder to think of how many other areas, in terms of the taxation laws of the country, will be adversely affected by too little participation in this debate, both by members of the committee and by the public at large. I do not think one needs to be very much of a prophet to suggest, as I do, that in a very short period of time, perhaps early next year, we will be faced with another series of amendments to this major tax

measure because the government has blundered in the direction that it has taken in this tax bill.

The Assistant Deputy Chairman: The hon. member for Assiniboia.

Mr. Gibson: On a point of order, Mr. Chairman, I was hoping that a government member would be recognized.

The Assistant Deputy Chairman: The hon. member for Assiniboia.

Mr. Knight: Mr. Chairman, it is a pleasure for me to have an opportunity to express my opinions on these amendments and the co-op and credit union movement. May I take this opportunity to compliment the government on introducing these amendments. I would like to agree with the suggestion made by the hon. member for Lanark-Renfrew-Carleton that the co-op and credit union movement did an excellent job of what he called lobbying, but what I would call stating their case against the legislation as originally proposed by the government. It is because of the case stated by the co-op and credit union movement, and because of the case stated by the NDP in the House of Commons, that the legislation has been changed.

I am sure that the legislation is not being amended just to comply with the philosophy of cabinet ministers. All hon. members of this House received much correspondence with respect to the legislation, and many personal calls and petitions. Mr. Chairman, I represent a riding where 80 per cent to 90 per cent of the population are members of co-ops and credit unions. That riding contains the largest credit union in the world and, Mr. Chairman, I had an opportunity to have a better reading of public opinion recently than other hon. members. On November 8, that public opinion told the government in no uncertain terms that this legislation, as it then stood, was unacceptable. May I compliment the citizens of Assiniboia for delivering the message to the government that its legislation was inadequate.

Some hon. Members: Hear, hear!

Mr. Knight: There was another issue in that by-election, Mr. Chairman, the government's grains stabilization policy. In that connection, I would point out that last Friday the hon. member for Lanark-Renfrew-Carleton had some comments to make about the government's legislation designed to implement that policy. May I suggest to him that his comments on Friday had about the same effect as his comments in the riding of Assiniboia prior to November 8.

In conclusion, Mr. Chairman, in all seriousness may I compliment my colleagues who spoke out against the government's attack on the co-op and credit union movement. I want to complement them for the excellent job they did in offering alternatives to the government's position. And I want to compliment the odd individual in the Liberal party who stood up in defence of the co-op and credit union movement. Those of us in this party from Saskatchewan who are members of co-ops and credit unions are pleased with the amendments that the government has introduced. We hope they will remain in force for a long time, and will not be suddenly changed a year after the next election. Once again, Mr. Chairman, may I thank the government for changing its position on these sections. Since they accepted the message on November 8 and changed their position on the taxation of co-operatives and credit unions, we hope they will take the same position on the grain stabilization policy.

[Mr. MacDonald (Egmont).]

• (4:40 p.m.)

Some hon. Members: Hear, hear!

Mr. Gibson: Mr. Chairman, after hearing the last speaker praise the government it may be repetitive to speak for any length of time on this subject.

Some hon. Members: Hear, hear!

Some hon. Members: Sit down!

Mr. Gibson: However, Mr. Chairman, it is not often in this place that one has the opportunity to urge an amendment, as I did and many of my colleagues too, in this House ten days ago when I urged the government not to be like a football team that is known to get to the ten yard line and then fumble the ball. We urged the Minister of Finance to go forward and score a touchdown, as the famous Calgary Stampeders did, rather than to fumble as the Toronto Argonauts did.

I urged the government to change the provisions in the Income Tax Act which taxed co-operatives and credit unions. I received many requests from my constituency that we should take a strong line on this and try and have these amendments made. Having supported the credit union movement as we have, I want to commend the government for these excellent amendments which encourage the supporters of the credit unions, the co-operatives and the caisses populaires. I feel that by encouraging the lending of money through these organizations in a responsible way to individuals who are often caught in emergency situations, we have assured an extraordinary measure of support for this kind of venture.

[*Translation*]

Mr. Matte: Mr. Chairman, as pointed out so aptly by my colleague for Roberval (Mr. Gauthier), we may perhaps rejoice in the fact that the government has agreed at long last to lessen the disastrous effects of the famous Bill C-259, particularly with regard to the caisses populaires.

Indeed, the bill in its original form simply threatened to assassinate those institutions which have been, and still are a sort of backbone, especially in the province of Quebec. Caught and included in this heavy but lightly treated tax reform, the caisses had no choice but to insist with the members that at least amendments be moved to make some of the sections a bit more palatable. The amendments moved by the minister prove how right we were in criticizing those responsible as well as the bill itself.

There was no dely in debates, nor was there any filibustering from the opposition. We are rather confused by a thick, heavy, mixed up, incomprehensible and incoherent bill which embarrasses everybody, beginning with the Right Hon. Prime Minister (Mr. Trudeau), the ministers and their parliamentary secretaries.

Mr. Chairman, one is confused by a jumble of sections which are supposed to constitute a reform. When you say "reform", you generally mean "improvement"; if you change something, it is to better it, to make it more profitable for those concerned with it. But such is not the case, because the amendment which we are now considering means that the government itself has to redraft, bit by bit, its own legislation, and this, over a certain period of time, since the duration of the debate has been limited.

Mr. Chairman, it is important that the people know that the object of closure is "presumably" to accelerate the business of the House. I say "presumably", as closure was applied because the opposition was annoying or worrying the government. Obviously, that is completely false. Considering that each one of those sections requires a lot of consideration and study, how can the work be done rapidly? It is physically impossible, and the proof lies in the fact that section 137 has gone by the wayside.

Now, Mr. Chairman, If some sections are so badly written that they have to be completely revamped, we must say that in the 700 pages of the bill, dozens of clauses should also be modified.

That is why we feel that it was absolutely necessary to take all the time required to carry out the tax reform. It would have been easy—as many hon. members and many of my colleagues have repeatedly pointed out—to divide the bill in two and adopt immediately the sections that were not contested. There was no reason to submit a package bill that is badly written, incomprehensible and incoherent. But just the same, we must be happy that the government is nevertheless willing to lighten the much too heavy burden which the savings and credit unions have had to carry.

• (4:50 p.m.)

Mr. Chairman, this does not mean that in itself—as my colleague from Roberval said it so well—the reform is good. We do not want to help in the passing of legislation drawn up haphazardly, without any consideration being given to the views of the people.

In any case, this bill will be passed, whether it is good or bad. It must be admitted that when this bill was outlined in the White paper, the officers of Caisses populaires and co-operatives found out that high officials, or even the minister himself, had overlooked credit unions. If they had been forgotten at the time of the drafting of the bill, we must say that despite studies deemed to have been made and the publication of the white paper, a reform was considered much too soon. It is not that reform is not needed, as we of the Social Credit know very well—and we say so loud and clear—that there must be real economic reforms in order to get a proper financial and fiscal system. But to make reforms and speedily pass a tax measure for the sake of it, or to expect to go before voters at the next general election and be able to say that a certain thing has been done is illogical and most of all frustrating for the whole Canadian population.

[*English*]

Mr. McCutcheon: Mr. Chairman, I shall be brief this afternoon. I want to make a few comments in connection with the amendments which we are studying. When the parliamentary secretary resumes his seat, I want to ask him a question or two about one of these sections. At the outset, may I say that I am completely happy for the co-ops because they have made their point. I am also happy, of course, because the hon. member for Essex will still be with us, at least for a little while.

Some hon. Members: Hear, hear!

Mr. McCutcheon: Generally speaking, I think it is fair to say that all of us approve the amendments submitted yesterday by the government House leader. We are most relieved to be rid of these provisions as they were originally drafted, because they were most regressive. I think we ought to remember, however, that they had not been accepted by government supporters until the time the co-ops, credit unions and caisses populaires mounted their very, very effective lobby. My friend for Lanark-Renfrew-Carleton complimented the credit unions and the co-ops on their most effective lobby. There has been much bantering back and forth—it seemed a little silly to me—about who should get the credit for the changes that the government finally saw fit to introduce. I will say nothing regarding credit. I opposed the restrictive regulations affecting co-ops right from the beginning. However, I think it is fair to point out that the one thing we have discovered in this country is this: this government will respond to pressure. In that there is an object lesson for the rest of Canada. Canadians must remember that old adage, the squeaking wheel gets the grease. I compliment the co-ops on their very large, very active and totally justified lobby.

Having said that, I must bring up one other subject which members of this House ought to consider. What about the individual businessman? What about private owners of business? I have a message for them, and that message is coming through loud and clear. If private individuals and private businessmen want any consideration from this government, they will have to organize themselves as they were never organized before. They must do that to be heard. I am suggesting to the retail merchants, who in their submission asked for some parts of this bill to be deferred, that they had better beef-up their organization and make it as good as the organization behind the lobby of the co-ops.

Theoretically, no private business can compete with an efficiently run co-op. Yet, Mr. Chairman, they do compete and compete quite successfully. How is that, I wonder? Again, as I say, much has been said this afternoon about where the credit lies for causing the about-face of the government. That is not important, because the reason for the about-face is pretty apparent. The reason lies in the 2,373 co-ops in Canada with 1,690,000 members who are potential voters. That is the answer. The old power of the ballot box was suddenly felt. What about the other distasteful sections of the bill affecting those individuals in this country who are not organized?

I should like the parliamentary secretary to explain and make just a little clearer the effect of proposed section 135(7), as set out on page 10175 of *Hansard* for December 6, yesterday's *Hansard.* The proposed subsection reads in part:

(7) Where a payment pursuant to an allocation in proportion to patronage (other than an allocation in respect of consumer goods or services)—

This wording leaves me just a little bewildered. I am thinking of a very well run and effective co-op in my area. They have a feed mill, buy grain and do all manner of things. They run a retail department where farmers can buy farm supplies, fence posts, wire, hog waterers, cattle waterers, and all those things that are incidental to the successful operation of a farm. I wish to ask a question, and I know the parliamentary secretary will be able to answer it. I am a little concerned about what happens to patronage dividends in that particular area that are available to members of that co-op. Of course, I am delighted to see less red tape. The less red tape we have in this country, the better. I am all for that.

However, let me point out an anomaly in this area which fortifies my argument regarding the protection for the individual. Let us say that we have a customer who deals with a co-op. Let us say that he gets $99.99 worth of patronage dividend. There is no withholding tax, as I understand it, and there is no record or anything like that. Let us compare that situation with that pertaining to a poor, dear little old widow who has $200 in her savings account, on which the bank pays her 5 per cent. So, what happens? She gets a T4 income tax form for her income of $10 from that source.

Mr. Paproski: Shame.

Mr. McCutcheon: I do not think that is quite 100 per cent satisfactory. I will be the first to admit that no tax is withheld. However, these two examples show how inconsistent these provisions are. It is all right to have a $100 patronage dividend if you are a member of an organization, but if you are just a plain, ordinary, unprotected, unorganized Canadian without a strong lobby, forget it.

• (5:00 p.m.)

Mr. Gilbert: Mr. Chairman, before I commence, I am willing to have the parliamentary secretary answer the questions of the hon. member for Lambton-Kent.

Mr. Mahoney: Mr. Chairman, the hon. member for Lambton-Kent asked a couple of specific questions. First, the distinction between patronage dividends that consumer co-operatives issue and other types. Of course, the person who patronizes a co-operative store for his groceries is buying those goods with after tax dollars and any patronage dividend that he receives is a reduction in the price of those consumer goods and, accordingly, is not intended to be taxable. That is the reason for the distinction raised in section 135(7). This distinction exists in the present act as well.

Where the consumer is a farmer who buys binder twine, barbed wire and the other goods the hon. member mentioned, he is receiving a refund of payments he has made that he will presumably claim as business expenses as a result of his farming operation. The expenses that he claims must be reduced by the amount of the patronage dividend to determine his business income. Accordingly, the patronage dividend will be included in income in that case.

The fact that the withholding tax does not apply until the patronage dividends reach the $100 mark does not mean the patronage dividends are not taxable or that the amount should not be included in income. Co-operatives will be required to issue slips, analogous to the ones the hon. member mentioned in connection with the poor little old lady and her savings account, to their patrons with regard to their patronage dividends, whether they amount to $100 or not and whether or not the withholding tax has been applied.

The onus is placed on the taxpayer to decide whether the type of business he does with the co-op is of a consumer nature and hence the rebate or patronage dividend is not an income item. Alternatively, if it is a patronage dividend with respect to business expenses he has claimed, the onus is on the taxpayer to report that as income. However, the fact that a withholding tax is not required until the $100 amount is reached does not affect the obligation of the co-operative to issue a statement to the taxpayer. That statement, of course, is verifiable by inspection by the Department of National Revenue. I do not think there is an unfairness here, as the hon. member suggested there might be.

[*Translation*]

The Assistant Deputy Chairman: Order. Before I recognize the hon. member for Broadview (Mr. Gilbert), it is my duty, pursuant to Standing Order 40, to inform hon. members that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Parkdale (Mr. Haidasz)—Combines—Sale of Toronto "Telegram" subscription list to Toronto "Star"—Federal aid policy for Canadian publications—Press review board; the hon. member for Humber—St. George's-St. Barbe (Mr. Marshall)—Family income security—Family allowances—Negotiations with Quebec—Increases; the hon. member for Saskatoon-Biggar (Mr. Gleave)—Grain—Use and leasing of interior elevator facilities.

[*English*]

Mr. Gilbert: Mr. Chairman, the members of the New Democratic Party welcome the changes with regard to co-ops and credit unions. I will direct my remarks to credit unions because the hon. member for Regina East and the hon. member for Assiniboia have related their remarks to co-ops. That does not mean I have not been interested in co-ops. I have the honour of being a member of a consumer co-op in Toronto as well as a credit union. One of the reasons the consumer co-op failed in Toronto was the keen competition from the chain stores and some of their purchasing methods which denied co-ops certain buying privileges. Be that as it may, the co-ops have a very impressive record across the country, especially in the west. With regard to credit unions, I join with the many members in the House who have given credit to the co-ops and credit unions for the way they persuaded the government to bring about these changes.

One may ask, why the change? I can only relate my remarks to my experience while a member of the finance committee during the last Parliament. We were making changes to the Bank Act. I will always remember the tremendous persuasiveness of the banks with regard to taking the 6 per cent ceiling off loans. They were successful in doing it. One of their arguments was the intrusion of credit unions into the field of lending money to people across the country. There is quite a difference between a banking institution and a credit union. The philosophy of a credit union has been underlined many times. Its pur-

pose is not profit or charity, but service. I received many letters from credit unions in Toronto, particularly one which is called So-Use. It has a very impressive record of lending to new Canadians and has done well over the years. I quote from their letter of September 24, 1971:

> New arrivals to Canada needed loans to establish themselves in this country; others were still paying their homes off, rehabilitating themselves after the depression and war. Lending institutions of all descriptions were demanding high securities and/or high interest rates, both of which were rather burdensome for most of the consumers. Therefore the Credit Unions flourished with the appealing slogans of low cost loans, loan and savings life insurance and mutual assistance for one another. Everybody felt like his brother's keeper. We had no direct access to the money from the Bank of Canada at the lowest rates of interest. We had to depend on the understanding and loyalty of our members. Warmth and confidence of our members to and in one another are the causative factors of our growth. It didn't just happen.

Those words are from one of the successful credit unions in Toronto. I wish to read the words of a credit union in my constituency. It is called the Woodgreen Credit Union Limited. In a letter to me, the president of that credit union said:

> There are 92 credit unions in your riding. They all provide very worthwhile services to their members. I am in constant contact with their officers and believe me, John, only a half dozen out of 92 could survive.

He meant survive under the provisions the government originally introduced. When I think of the caisse populaire which have flourished in Quebec, I am impressed with the excellent record they have obtained. I wonder if conditions would not be much worse in Quebec if the caisse populaire had not filled the gap which banks and other financial institutions left through their failure to provide loans to people who did not have the necessary securities and credit rating that the banks demanded. I have heard it said many times that one of the reasons the credit unions are comparable to the banks is that they charge 1 per cent per month on the unpaid balance on loans. On the example of borrowing $1,200 at 1 per cent a month on the unpaid balance over a period of 12 months if $100 a month were repaid, the total sum paid in interest would be $78 and if you divide the $1200 borrowed by 78 the effective interest rate amounts to 6.5 per cent. Account must then be taken of the fact that the effective rate is likely to be even lower when the credit union declares its interest rebates to those who have borrowed money. Is it any wonder that the banks and other financial institutions put such strong pressure in the Finance Committee when changes were being made to the Bank Act? They realized that the fine motive of the credit unions was not profit or charity but service to the people.

I cannot avoid the conclusion that when the original provisions of this act were determined the government was corporation-oriented; it had been directly influenced by the large corporations, the banks and the financial institutions. Otherwise it would not have brought down the provisions which are contained in Bill C-259. Who would have thought of the capital employed concept which the Minister of Finance attempted to apply, not only to the co-operatives but to the credit unions? It certainly was not dreamed up after consultation with the credit unions. It was certainly arrived at after pressure from banking and other financial institutions.

• (5:10 p.m.)

I give very little credit to the government for bringing in these amendments. We welcome them, but I do not give them credit. In the first instance, the minister and his colleagues were influenced totally by the corporations. It was only after members from all parties had spoken out against the proposals that the government yielded. Incidentally, I found it passing strange that during the discussion of the personal exemption rates, the changes from $1,000 to $1,500 in the case of single persons and from $2,000 to $2,850 in the case of married couples, very few supporters of the government pointed out that 20 per cent of all Canadians would still be living below the poverty line. I am disturbed that supporters of the Liberal party did not rise on other sections and allow their voices to be heard in favour of necessary changes. I notice the parliamentary secretary giving me a slight smile. I can recall that when we were discussing the expenses to be allowed to workers there was a cemetery-like silence from the benches opposite, and that no criticism was levelled against the bill when we were discussing the expense accounts which are to be allowed to members of the boards of corporations in connection with their business.

We have a proud history in Canada in connection with credit unions. Back in 1900 Alphonse Desjardins of Lévis, Quebec, began the credit union movement in Canada. From that humble beginning credit unions have spread across the country and served a most useful purpose. It disturbs me that the government should have brought forward provisions which would have strangled the growth of the movement. It took the efforts of members of all parties to persuade the administration of the necessity of credit unions and of their social usefulness. The argument which the credit unions put forward respecting the necessity for statutory provisions relating to reserves, the argument in support of their inability to distribute reserves to their members in the same way as corporations distribute their reserves to shareholders must have had some impact upon the government, because the changes made in the legislation reflect this point of view.

I trust that never again will the government be persuaded by the banks and financial institutions that credit unions do not play a vital part in improving the living conditions of most Canadians. When I read the statement by the Prime Minister, the remarks he made on National Credit Union Day, I realize he was setting forth the true philosophy of the credit unions. He said, then:

> Credit unions have experienced enormous success because they encourage both regular savings and the wise use of credit. But even more important, credit unionism encourages self help, mutual assistance, and personal involvement. In this sense credit unions are more than financial institutions, they are a positive social force within our communities.

I hope the other members of the cabinet will take to heart the message the Prime Minister sent to all Canadians and never again be persuaded by the corporate interests of this country to bring forward such proposals as they first brought forward in Bill C-259. If they do that we shall succeed as we have never succeeded before in bringing about some of the social improvements which are necessary in this country.

Mr. Haidasz: Mr. Chairman, we have just heard the praise which the hon. member for Broadview has rightly heaped upon the Prime Minister. As one who has been associated very closely with many cabinet ministers, I should like to assure the hon. member for Broadview that the cabinet ministers do strive very hard to emulate the Prime Minister in that regard.

An hon. Member: Explain.

Mr. Haidasz: I have been a member since its inception, 26 years ago, of the St. Stanislaus Credit Union, the largest in Ontario, with more than 12,000 members with its headquarters in Parkdale. I, too, was pleased to make representations in this House in favour of appropriate amendments to Bill C-259, and today I wish to express to the Minister of Finance, to his parliamentary secretary and to their officials, the appreciation of all credit union members in Canada for their patience and understanding in drafting the amendments which were announced yesterday. As hon. members know, the income of credit unions and caisses populaires will now be taxed at the rate of 25 per cent as long as reserves in excess of those allowed against income do not exceed 5 per cent of deposits and share capital. A further amendment will also mark the abandonment of the notion of capital employed and embodies the proposal that the limit on interest rebates related to capital employed be deleted. These amendments will go a long way to enabling credit unions to grow and assist their members, and, consequently, to further the growth of the Canadian economy.

• (5:20 p.m.)

I should also like to take this opportunity to pay a tribute to the credit union movement which has rendered assistance to numerous immigrants, especially in helping them to procure loans to buy houses. This is a great service indeed. For some reason or other, these immigrants have found it much easier to get a loan for a home from the credit union than from other sources. I am delighted to join the hon. member for Essex and my other colleagues in the House in expressing once again to the Minister of Finance our appreciation and also to congratulate the credit union representatives who have presented their case to us in a very reasonable, courteous and effective manner. We have seen participatory democracy work and succeed.

[*Translation*]

Mr. Rodrigue: Mr. Chairman, on behalf of my colleagues, I would like to point out that we support the amendments proposed by the government House leader to sections 57, 58, 135 and 137 which deal particularly with co-operatives and credit unions.

I am very happy that the representations of the co-operatives and credit unions and the reiterated requests of hon. members of all parties have been heeded.

As for us, of the Social Credit party, I know that we have not been very soft on the government and the Minister of Finance (Mr. Benson) when we asked that the sections I have just mentioned be amended. This is why I reiterate our appreciation for the proposed amendments. These are amendments which I think are much more equitable that the initial proposals. It seems to me following the talks my colleagues have had in these amendments.

Everyone will try to interpret the tabling of amendments in their own way. Some will say that the government has taken a backward step, others that it has made a gain. I myself consider that the amendments to the clauses concerning co-operatives and credit unions are the result of numerous negotiations and pressures exercised by those organizations which stated their views in an intelligent manner but without kicking up a shindy. It therefore proves that it is possible to obtain results from a government when the people exercise the right amount of pressure and make themselves heard.

However, people should be in a position to make themselves heard. The government follows too easily the advice of officials who tend to try and settle problems with over-simple methods, without paying too much attention to justice. Our agreement to the amendments brought forward in regard to co-operatives and credit unions does not mean that we approve the bill as a whole. The latter contains a lot of nonsense, such as the inequitable way in which it sought to deal with credit unions and co-operatives. Several other amendments would therefore be in order.

The concept of capital utilized which has been incorporated in the Income Tax Act for the past 23 years, and which was the basis for taxing co-operatives, is a striking instance of the errors and inequities contained in the bill before us. I am happy that representations made to the minister have succeeded in moving him to bring forward amendments to correct an inequity which was about to be sanctioned.

Co-operatives and caisses populaires will now know what they are faced with. They are faced with a new challenge: that of taking a greater part in the Canadian economy and of having their members participate in the many services which they provide for five million people.

The co-operative movement is still new in Canada. In fact, it is only starting, after groping its way for a long time. I think that it has acquired valuable experience during those last few weeks' discussions and will be in a position to take up the challenge.

I do not intend to retrace the history of the co-operative movement in Canada, as others have done so before me—with great competence. I am glad of the turn events have taken and I hope this will serve as a lesson not only to members of co-operatives and caisses populaires, but to all Canadians.

That is a striking example which shows that solutions can be found when there is the will to talk business seriously. This is an important lesson for the government which will have to pay more attention to the wishes of the people.

In the course of the debates ahead further amendments to this bill will be introduced and I hope that the minister will welcome those proposals.

[*English*]

Mr. Ritchie: Mr. Chairman, I should like to say a few words on the significance of these changes to the bill. The government has moved from a substantial widening of the capital employed formula on which it taxed co-operatives

to a complete elimination of it. This is a change that goes further than most of us expected, but which I think is basic to the co-operative movement. The capital employed formula did not seem to have much basis in fact; it was a formula that was made use of during wartime in order to replace the excess profits tax. We are now returning to a straight 15 per cent withholding tax. The capital employed formula was a very poor way of taxing co-operatives, and as I say it is significant that this formula has now been changed.

I should like to make some comments on the effect of this proposed change on the western grain handling companies, which are divided roughly into three groups. There are the three western pools; the United Grain Growers, which operates under a somewhat different structure but is still to some extent a co-operative; and the private line elevator companies. It is significant that this change is made at this time because the grain handling system in western Canada is being reorganized. Even though the United Grain Growers has been in operation for 60 years and the pools have been operating for 40 years, the line elevator companies are still able to get between 30 and 40 per cent of the grain that passes through the system each year, in spite of the fact that in general I think they are at a disadvantage to their competitors, particularly the pools.

The elimination of the capital employed formula should substantially increase the competitiveness of the pools, and to some extent the United Grain Growers, vis-à-vis the line elevator companies. Whether this will see the growth of a monopoly in this area remains to be seen, but I think it is a definite possibility. We must wait and see how these changes to the corporation tax affect the value of this tax as a means of raising money.

• (5:30 p.m.)

We have seen a downgrading of the corporation tax in the last few years. The 7 per cent reduction mentioned by the Minister of Finance a few weeks ago and the dropping of the 1 per cent corporation tax each year for four years means that the government is moving away from corporation tax as a means of raising money for the treasury and is placing more emphasis on income tax. These changes with respect to co-operatives should further increase the revenue of the government through personal income tax. So I believe we must look at these changes to see if the corporation tax is to be reduced significantly over the years in line with the amendments in respect of co-operatives. If not, there may well be significant changes in our economic structure particularly in rural areas involving producer co-operatives.

Mr. Nystrom: Mr. Chairman, first of all, like some other hon. members I wish to commend the Minister of Finance and his parliamentary secretary for bringing in the amendments they did yesterday. I can assure them that in a constituency like mine, which has dozens of small and large co-operatives, this is most welcome. The fact that the government has moved on this issue is a credit to the Parliament of Canada, as is the fact that members of this House realized that co-operatives would be strangled by this bill and have been able to convince the powers that be that changes ought to be made.

The New Democratic Party, as everyone knows, was committed to fight as hard as it could to change the mind of the government. I am very pleased that the Minister of Finance and the government have recognized this. I know also that many members of the Liberal party, particularly the hon. member for Essex, made their intentions very clear and because of this the government changed its mind.

More important, however, I believe is the fact that the co-operative movement itself deserves credit for the changes before us. I think we should all congratulate them for the tremendous job they did in articulating their cause and in convincing members who had not been convinced about the reason co-operatives exist and why this bill as first presented would have been very injurious to them. They should be complimented at the national and local levels.

I received 50 or 60 telegrams, letters and resolutions from co-operatives in my constituency, wheat pools and credit unions. I congratulate these people for coming forward and persuading the government it should change the legislation as originally presented to the House. In a democratic system I believe government should listen to the people and be flexible enough to amend legislation to coincide with the wishes of any sector of our society.

I believe all of us felt that if the bill had gone through in its original form it would have eventually strangled the co-operative movement. I think it is essential that government recognize that co-operatives served a very significant purpose in the history of this country. This is particularly true in a province such as Saskatchewan where the co-operative movement is a vital part of the way of life. Co-operatives are an integral part of the community. Back in the thirties when the farmers faced the great depression they had to band together by forming co-operatives in order to protect themselves from corporate businesses which did not care about them. In every town and village across the province of Saskatchewan hundreds of people are active at the grassroots level in co-operatives, not as a profit-making venture but as a service to themselves, to their families and their communities. This is the type of thing I believe should be encouraged in Canadian life.

I think we should note that our party, in 1945, in Saskatchewan about a year after it formed the government established the first department of co-operation in history and appointed a minister of co-operation. This is the type of leadership we should have in all parts of Canada. As I have said before, the co-operative movement is not a profit-making operation but, as the hon. member for Broadview pointed out, is a movement controlled by the people who use the co-operatives. You have one member with one vote, and not a few directors sitting on a board in some smoke-filled room behind closed doors making decisions which affect the people.

This is the direction in which we should be moving and I am thankful the President of the Privy Council presented these amendments. I hope they will stay with us in the years ahead because they will be of great benefit to the co-operative movement. I appreciate, as do my constituents, this step in the right direction in the decision of the government in amending the original bill.

Mr. Osler: Mr. Chairman, I have just a few words to say this afternoon. They are not particularly weighty or well thought-out. I am very pleased to hear the tenor of the remarks of all hon. members who have spoken. They all agree, as I do, that it is a great thing to see these amendments and the changes made, since the future of co-operatives and credit unions is assured because of them. I certainly agree with the hon. member for Essex who first brought out the idea which has been repeated by other hon. members, that those who should be given credit for this are the credit unions themselves who did an excellent job in a very legitimate lobby. I would say this is a classic example, of which opposition members are not always aware or willing to recognize, that in a democracy if a story is told clearly, logically and cogently to enough Members of Parliament, people will change their mind and take a slightly different course in order to accommodate them. That is what Parliament is supposed to be all about.

I am very pleased that in this aspect we are proving, as we have at other times, that Parliament does have life and is not dominated by a bunch of dictatorial technocrats. This is the language of members of the opposition.

This procedure has shown that we have a future as a democratic state and that Parliament has an important place in a democratic state. We did not have television cameras in the House this afternoon. I am opposed to their being here because I think we do enough grandstanding without being encouraged to do more television. If the Canadian people were to have seen the great workings of this democratic, this almost sacred institution, this afternoon what would they have seen? They would have seen everybody agreeing to amendments to a bill, which shows the good sense of hon. members. Also they would have seen everybody here doing something that nobody in Canada can understand. They would have seen members wasting a whole afternoon saying, "You should have done it sooner," or "I was the guy who suggested it," or "It was me too"—a whole bunch of extraneous garbage which has nothing to do with the fact that Parliament has changed its mind and is passing a constructive measure. As the hon. member for Kenora-Rainy River said a while ago, for grown men to be fighting over Brownie points all the time is not something that the people of Canada find very stimulating.

• (5:40 p.m.)

Mr. Paproski: Then why are you on your feet?

Mr. Osler: This afternoon we have wasted a lot of time.

Mr. Paproski: Then why don't you sit down?

Mr. Osler: I wish that some members who most need instruction would listen to a little instruction from time to time. I suppose the fact that there are so few Conservatives in the chamber makes them want to make a great deal of noise. There are only four here now and the rest are away, thinking about how they will save the nation. I have not yet seen any blood on the street in front of the Chateau Laurier, but I think there must be some by now because they have been meeting for a day and a half.

The ghoulish glee that people have been expressing all afternoon, seeing that there is a time limitation on this important bill, is a waste of time. Everybody on the opposition side says that time limitation is a crime and that they should be able to talk forever on this important subject. Yet we have four days during which to talk on it and we waste all one afternoon hearing people say, "I should get the Brownie points, not you". Surely we should have spent our time talking about other things. Great screams were heard last week when we said the time had come to pass this bill. But we have spent all afternoon listening to nothing more than ghoulish glee from hon. members on the opposite side.

After a perfectly legitimate process of tax investigation has been completed, we should now get on with the legislation. I should like to know whether members of the opposition are seriously preparing, when this tax measure is out of the way, to give us their views on poverty, on a guaranteed annual income and on how we are to attack our other problems. The fact is that all the old problems of regional disparity have not yet been solved in Canada's 100 years of existence and these are problems to which this government, and indeed any other government, must address itself.

Another matter for discussion is the development of trade on the Pacific rim, which our Prime Minister foresaw was the next big springboard for this country and which he has helped to encourage. Some people, in their ignorance, accuse him of taking off and flying all over the world. It so happens that when he flies all over the world we get an order for something, and if we do not have an order we will not eat.

Mr. Paproski: You have an order—the 10 per cent surcharge.

Mr. Osler: That is enough from you. What we should hear is some truth and logic. You do not sell to the Japanese without making friends with them. You do not trade with emerging countries such as Malaysia without talking to them. You do not get anywhere without developing relationships so that people get to understand and trust you. Because we are the biggest trading nation, per capita, in the world, someone must do these things. But instead of members of the opposition coming forth with their viewpoints on how trade should be developing, they go around with whispering campaigns like a bunch of schoolboys. They say that the Prime Minister is out of the country too much.

Mr. Paproski: Why don't you read what our leader said as reported in the newspapers?

Mr. Osler: That is another thing that is pitiful—Brownie points made with newspaper columns. We take our responsibility of trying to run this country under the mandate that has been given to us. We are not afraid to find newspapers sometimes a little behind us. We do not look over our shoulders all the time, nor do we ask some guy whether we could vet the particular thing he is writing, and please will he make it nice. What we are trying to do is to get things done. We have developed more trade than any other government. We have sold more wheat to more people than any other government, and we have employed more people than any other government. But all we get from you people is raspberries and screaming all afternoon.

Some hon. Members: Oh, oh!

The Chairman: Order, please. The hon. member for Winnipeg South Centre has the floor.

Mr. Osler: I will not be too long, Mr. Chairman, because it is obviously useless to waste any further time of Parliament trying to put fresh ideas into their heads. As I said, trade development is important. Let us hear some views on that matter when this tax measure is passed. It is almost passed now. Ten years have come to an end and the country is ready to go on to the next task, but all the opposition is doing is bellyaching about the fact that it is too bad that an amendment regarding co-operatives was not put in by one guy instead of another guy. That is real statesmanship!

The problem of the native peoples is a very difficult one which I do not suppose any of us understands as well as he could. But, by God, this government has tried to advance the lot of the native peoples as no other government has. It has a lot to learn and it has to grope its way ahead. It would be great if you people helped us.

Mr. Paproski: We will.

Mr. Osler: Another matter is international relations. Instead of complaining that we are not friendly enough with the Americans, or we are too friendly with the U.S.S.R., or some other damn thing ad infinitum—

Mr. Paproski: You said that.

Mr. Osler: I said, instead of complaining give us your views about what international relations should be. All we have heard all afternoon is talk on one point, namely, who should or should not have brought in an amendment to a particular section in the tax bill which is 700 pages long. I have been listening very hard and that is all I got out of it. The hon. member for Dauphin was most constructive, but he was speaking in the past so that it was educational without advancing an argument. However, he spoke very intelligently and I learned a lot from him.

But the main point is that this sort of procedure, as I said, is not a tragedy for either a Liberal or a Conservative government, or indeed an NDP or a Social Credit government if there ever should be such an animal. The tragedy, which nobody here seems to understand, is that if we had television here this afternoon the people of Canada would completely lose their faith in the parliamentary system, and then where would we be? There is no way in which the people of Canada will buy this kind of stalling and fiddling about. They do not understand it.

The one thing I have heard for weeks is, why the devil have we not applied time allocation since we have a majority? We are asked why we do not get on with the job and do something. People do not want this stuff. The only time in my parliamentary career that I regret we do not have television here is this afternoon, because it would be illuminating if the people of Canada could see for once how time is wasted by the very people who are shedding crocodile tears all over the country about this government that has imposed closure, which it did not do. What it did was to impose time allocation.

I hope that in the next ten minutes some member of the opposition will talk some sense and will address himself more closely to the subject.

Mr. MacLean: Mr. Chairman, I intend to intervene only briefly in the discussion this afternoon. I begin by congratulating the government for introducing these amendments which should go a long way toward meeting the requests of the co-operatives and credit unions of Canada. There is one aspect that amazes me, and that is why the government has taken so long in bringing forward its policies and why it has been so inconsistent. When I say inconsistent, I refer to the different attitude that was shown by the Department of Finance on the one hand in the bill which they introduced and, on the other hand, the activities of several other departments.

• (5:50 p.m.)

For years the Department of Fisheries encouraged marketing co-ops among fisherman and the Department of Indian Affairs and Northern Development encouraged the development of co-ops in the north for various purposes. While this bill was being drafted that department was commemorating the establishment in my riding of the first credit union in North America, although at the time it was not called that. I believe this was a wise decision on the part of the National Historic Sites service, commemorating the establishment of The Farmers' Bank of Rustico which is in my constituency. A plaque was placed on the building which still exists, and it reads as follows:

> Under the leadership of Rev. G.-A. Belcourt, a former pioneer missionary in the West, his parishioners erected this building to house one of the first people's banks in Canada. Chartered in 1864, and directed by farmers and fishermen, it continued to operate until 1894 and foreshadowed the development of the credit union movement. The bank, by providing cheap credit, enabled the people of this predominantly Acadian community to gain economic independence.

These types of self-help organizations have been a very vital factor in my province and in fact in many parts of the Atlantic region over the years. It is fitting that that sort of self-help when it is exhibited by Canadians, in the form of banding together either in co-ops or credit unions, should be encouraged. I want to congratulate their national organizations, their regional organizations and their local organizations for the very excellent job they did, not in lobbying—because I think that term has connotations which are slightly derogatory—but in educating the Canadian people on what they were requesting and informing Members of Parliament of their objective view of the matter.

They wanted nothing but a fair competitive position with respect to other types of organizations. I think that the work done by co-ops and credit unions in informing Members of Parliament and the government was a very useful exercise, and I congratulate the government for finally reacting favourably to their submissions. I must admit that it is not very reassuring that it took the government so long to react favourably. If I were concerned with the life expectancy of the government, which at present seems to be rather short, I would suggest that it react more quickly and more sensitively to the wishes of the Canadian people with respect to changes in policy.

In conclusion, Mr. Chairman, I think the amendments will meet the requirements of both the co-ops and credit unions in my province where they have done a great deal of good work over the years.

Mrs. MacInnis: Mr. Chairman, I just want to say a few words in connection with these amendments because I think that no one from the west coast has yet spoken and a great many people out there have been sending letters and communications to us for a long time with respect to this matter. Those people will now be as happy as the rest of us to see amendments introduced which they have wanted for so long.

The hon. member for Winnipeg South Centre spoke of tragedy and indicated that it was a great waste of time to discuss these amendments. In reply I say that for many of us this is not a day of tragedy but of triumph, because for a long time we have been trying to get across to the government the fact that co-ops are not ordinary business or commercial concerns in the private enterprise sense. I think the hon. member for Winnipeg South Centre should be patient enough to let us discuss just how these amendments happen to have been proposed.

As the hon. member for Regina East pointed out, it is 25 years since the government of the day, which I believe was also a Liberal government, succumbed to the pressure of big corporate concerns and enacted a type of tax legislation for co-ops to which they should never have been subjected simply because they have never been the ordinary type of business concern. For 25 years we have been going down the wrong road and now the government seems prepared to change direction. This is something for which we should be profoundly thankful.

However, Mr. Chairman, I am not going to be fulsome in my praise of the government and say it was a sudden burst of enlightenment on its part that caused this change to be made. That does not represent the facts. There are members on the government side of the House, just as there are in all parties, who fought for the co-ops. But over the years those government members were a very tiny minority, and so far as converting the government to introduce the right type of tax laws for co-ops was concerned, they were simply fighting a hopeless battle because the majority in their party did not agree with the co-operative way of thinking or the co-operative philosophy.

May I call it six o'clock, Mr. Chairman?

The Chairman: It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mrs. MacInnis: Mr. Chairman, I was saying when the House adjourned at six o'clock that I think it is pretty important that we recognize how we got these amendments relating to co-operatives and credit unions. I believe that the credit must go to those organizations. In this House there were spokesmen who believed in and worked for amendments of this kind, but it was mainly the solid work of the co-operatives and credit union members and organizations outside this House that brought about the change.

[Mr. MacLean.]

I think it is important to understand what happened because in my view this is participatory democracy. I do not think any government by itself, no matter of what party, can do the job of governing without having counterpoise and counterweight from outside in the form of organizations to keep it informed and, if need be, to put pressure on it. I firmly believe this. The credit unions and co-operatives brought this pressure to bear on the government which did, in quite a proper manner, bring about the changes that were required. This is participatory democracy in the real sense. It is not people turning out to acclaim a leader or to admire images and that sort of thing; it is people who know what they want, who are well organized and bring pressure of the right sort on Parliament and the government in order to get the changes they need.

This is exactly what happened to bring about the changes in those sections of the bill relating to co-operatives and credit unions. I am very glad to see this happen, and far from being censorious of the government for having changed its mind, I think it deserves credit. When you get a government or individual who is afraid to change his mind, you have a dinosaur or something which is no longer in tune with the needs of the day. I think the government did the right thing in changing its mind. I am almost tempted to name the individuals who had a lot to do with changing it, but I will not.

These amendments mean that the government now definitely recognizes that co-operatives and credit unions are different from the ordinary run of private business. Some time ago I picked out an editorial from *The Western Producer* of September 30, 1971. This is a time-honoured organ of the Prairies. I should like to quote the editorial as follows:

> There is a fundamental difference between a co-operative and a privately-owned enterprise: the co-operative principle means that member-patrons share earnings according to the extent of their patronage of their own business, but in the private corporation, earnings are paid out to shareholders, who may or may not have the slightest interest in the corporation in which they invest, beyond the collection of dividends on their shares.
>
> The member of a co-operative, on the other hand, has interests in common with his fellow members. They set up their co-ops to provide themselves with goods and services at cost; they do not expect any return on whatever they have invested in their own business.

I think that is basically the difference and I am very glad that the government has recognized it. The co-operatives and credit unions are comprised of people working together to secure goods and services for themselves. The co-operative movement, whether it be through co-operatives or credit unions, is a way of living, a philosophy of life. In this House we worry a lot about poverty and low income groups, but I think the co-operative movement has done more for low income people than almost any other movement which can be mentioned—

Some hon. Members: Hear, hear!

Mrs. MacInnis: —from the days of Father Tompkins in the maritime provinces and the friends of the fishermen. The government House leader knows very well the work that was done by his own university, St. Francis Xavier. That university did tremendous work in eastern Canada and its students went overseas to help the underdeveloped

countries. One of their slogans was to the effect that if you give a man a fish he will be able to live for a day, but if you teach him to fish he will make his own living. I know that those are not the exact words, but the spirit of them is exact.

On the western plains the co-operatives have done tremendous work for farm people and have taught them rugged initiative and individual enterprise. If this government will recall its experience with its recent farm legislation it will realize that in western Canada it was up against a breed of people who had no intention of doing something just because somebody told them to do it. The co-operative movement had a good deal to do with teaching them to work together to serve the interests of their own group.

In England and Scotland the co-operative movement began with poor people, the 28 weavers who started it, and it moved into Scandinavia and other countries. In the underdeveloped parts of the world the movement is teaching people to work together as a group to achieve their own interests and not to pay toll to any other interests that stand between them and the things they need. I think the co-operative movement could play a very great role in North America. It could be a counterpoise to those great business corporations which are becoming larger and larger and more monopolistic as time goes on.

• (8:10 p.m.)

In Scandinavia co-operatives have been able to stand up to big corporations and compete with them in a way that other business competitors have never been able to do. I remember years ago visiting Sweden and seeing the Luma electric light factory. Previously only General Electric had been operating in the area. General Electric had been increasing the price of its light bulbs until finally the co-op stepped in and built the Luma electric light factory. Even while the factory walls were rising, General Electric cut the price of its light bulbs in an effort to deter the building of the factory. That did not work, and the result is that through the co-operative movement the people of Sweden have broken the monopoly of General Electric and are able to buy electric light bulbs for considerably less than they paid before the co-ops got busy.

That story has been repeated over and over again. That is why I want to end my remarks tonight by saying to the government that, far from scolding them for changing their mind, I am very glad they did so and that the co-operatives and credit unions have been able to bring this charge about with the help of people in all parties who believed in the necessity for change such as the co-ops wanted, and who believed in the co-operative and credit union movements. For these amendments the government will not need to apply closure. There will be no difficulty regarding passage; these sections will go through easily. As I say, the government was expecting too much if it thought we would pass these sections without taking time to hail them as a triumph for the co-operative and credit union movements of this country.

[*Translation*]

Mr. Breau: Mr. Chairman, I want to take up only a few minutes of the time of the committee to say that I wholeheartedly approve of the amendments the President of the Privy Council (Mr. MacEachen) proposed to the bill we are studying tonight and which deal with the taxation of co-operatives and caisses populaires.

This afternoon, I heard several members of the opposition, notably of the Progressive Conservative party, say that the government has simply betrayed the co-operatives by equivocating.

Mr. Chairman, it seems those members did not understand the proposals of the co-operatives last summer, when they appeared before the Committee of Finance, Trade and Economic Affairs in connection with the white paper on tax reform, as they probably did not understand either the amendments proposed by the government.

When the representatives of the co-operatives first came to testify, their original request referred to a withholding in the case of members receiving patronage dividends. The government rejected that proposal, because it thought—I agree with that as well as several other members—that the members of co-operatives who received patronage dividends for the purchase of consumer goods should not pay income tax on those patronage dividends. It is only as a result of discussions, specific proposals and serious studies by co-operatives and the Canadian Co-operative Council that an administrative formula was devised and that it was agreed, in accordance with statistics for the last few years, that a tax would only be levied when the patronage dividend would be over $100, so that only the members of co-operatives who would receive such patronage dividends, to be deducted from expenditures already claimed for income tax purposes, would pay income tax.

The opposition members—particularly those of the Progressive Conservative Party, including the hon. member for Moncton (Mr. Thomas) and the hon. member for Egmont (Mr. MacDonald)—who said that this afternoon did not seem to fathom the consequences of the first proposal by co-operatives, and probably not these either.

I wish to thank the government for introducing these amendments, thus showing it understands and appreciates the benefits the co-operative system and caisses populaires bring the country. Several times I spoke in the House of the social and economic implications of the co-operative movement in my riding, and I do not think it would be useful to state the arguments all over again. However, I would like to say that what the government did will have happy results in my riding where co-operatives are strong, not only because they enroll people in a certain socio-economic movement but because where they are active, mostly in the fishing sector and other industrial fields, producers obtain more for their goods. I think it is a recognized fact that wherever there are co-operatives, companies set their prices in accordance with the prices established by those co-operatives—which means that not only members of co-operatives, but all fishermen, benefit from it. The same phenomenon can be seen in the farming industry.

Before concluding, I would like to express my gratitude to members of the opposition, and particularly members of the New Democratic Party, who, I feel, have co-operated with the government during the debate on co-operatives in order to make sure that if the debate was to end with the application of Standing Order 75C, the amend-

ments concerning co-operatives and caisses populaires would be introduced and passed.

Several members know of the discussions and negotiations which have taken place concerning this issue. We must admit that but for the co-operation of opposition members, those amendments could not have been brought forward. I would like to thank them, and to say once again that I support the government in this move which I feel is a victory for the rural economy of Canada.

[*English*]

Mr. McCleave: Mr. Chairman, I grew up in a part of Canads where poverty was a very great problem and where it still is somewhat of a problem. I have seen the effects of certain social measures that have been instrumental in overcoming that poverty and I can fairly say that the work of the co-operatives, both in selling basic supplies to people and in providing marketing outlets for their catches, has probably been the most worth-while work of economic value that I have seen.

I make no apology for my remarks. Indeed, I am proud to support any tax change that will add to this process. Accordingly, I welcome the announcement made the other day by the President of the Privy Council and wonder at the hon. gentleman's ability to horse-trade. He indicated to us that not only were the co-ops getting all that they had asked for, which must have come as a delightful surprise to them, but they were getting even more than they had asked for. So they wound up with all their own horses that they were willing to trade in this business as well as with some of the government's horses. I give the minister full marks for that.

The co-op movement mounted a most effective lobby. I think we should note that here "lobby" is used in its pure sense. They came to us, put their arguments before us and have reaped the harvest they deserve. When I spoke on this matter earlier I said that co-operatives were a chance for the ordinary Canadian to have some piece of the action in this country. I reiterate that remark.

• (8:20 p.m.)

I would add that there is generally a limit to the extent to which people wish to co-operate with each other in order to form an effective co-operative. I say this in answer to those who bring their concerns to us through correspondence. They are concerned about the growth of the co-operative movement in Canada. As far as co-operatives in the food business are concerned, they will continue to grow. However, in my city of Halifax an attempt very recently along those lines fell flat on its face. I suspect that where there is a community interest there will more likely be development in the co-operative field.

I have tried to interest people in solving their housing problems by the co-operative method. There is a limit to the number of people who will sit down together to work out a common plan. Some people go for co-operative building and others do not. If I had any suggestion to make in this field as a counter-measure to what is proposed by the government, it would be that the issue is of such intensity that it would better have been separated from the measure with which we are dealing. It deserves substantial consideration in view of the storm that was raised involving not only the government but all of us as

parliamentarians. In other words, as a compromise in a difficult situation I would suggest that we leave the law where it stands, a law that both sides are accustomed to living with, until we take a longer look at the situation.

As it is now, the government has made its position known. There will not be much opportunity to examine all the implications from the side of the co-operatives and from the side of the business companies. The government has taken that risk. I am not prepared to quibble with it. I will vote in favour of the proposed amendments.

Mr. Skoberg: Mr. Chairman, a number of members have today quoted statements about co-operatives lobbying. The previous speaker used the word lobby. He said he did so in a kind way. I wonder whether it is a kind word when you see the lobbying of Colin M. Brown of London, Ontario, when he placed full-page ads in newspapers trying to blast the situation now before Parliament.

Some hon. Members: Hear, hear!

Mr. Skoberg: Anyone who uses the word lobbying with regard to the co-operative movement has failed to realize he is also including the wheat pools in the prairie provinces, the credit union, the fisheries marketing agencies and the like. The activity the co-operative movement has undertaken in this case has been well reasoned and well documented. They have gone about it in such a way that everyone is familiar with their reasoning and documentation.

I quote from the propaganda of the Equitable Income Tax Foundation with regard to the amendments affecting co-operatives:

—which in our view is misleading and designed to portray co-operatives as the unwitting victims of tax reform.

That is what I call lobbying on the part of a well heeled, well organized campaign under the authorship of Colin M. Brown of London, Ontario. When we talk about lobbying we should talk about the well heeled people who pay for these ads in the newspapers of this country. They are not concerned about the co-operative movement.

Some hon. Members: Hear, hear!

Mr. Skoberg: The co-operative movement made no bones about it when they replied to the propaganda published by the Equitable Income Tax Foundation. They said:

Co-operatives have not asked and do not ask that they should not pay corporate tax on any earnings voluntarily retained by them. They merely ask that there be no arbitrary formula imposed which requires the compulsory retention of earnings.

That is over the signature of the president of the Co-operative Union of Canada on behalf of other co-ops.

I also wonder about the position of the official opposition. I quote from page 7762 of *Hansard* of September 13, 1971:

We have had quite a reaction to this bill from the co-ops. I do not know what the House is going to decide, but it seems to me that the government has advanced its proposals after looking at some of the largest co-ops in the country, organizations which have lost their co-operative origins, that operate in the hundreds of millions of dollars class, their boards of directors being far removed from the ordinary members, in the same way as the boards of the biggest multinational corporations are far removed from the shareholders.

Those words were spoken by the financial critic of the Progressive Conservative party, the hon. member for Edmonton West. The amendments which have been brought in are over the signature of the President of the Privy Council, not the Minister of Finance or the Parliamentary Secretary to the Minister of Finance. They take care of some of the concerns and worries of the co-operative movement. When the hon. member for Edmonton West associates co-operatives with the biggest multinational corporations, I suggest he is unfamiliar with what co-operatives are all about. He is not familiar with the fact that today the wheat pools must have active members on their boards of directors. It is strange to hear members of the Progressive Conservative party extol the virtues and good work of the co-operatives. No doubt they come from areas which recognize the importance of co-operatives. However, the official spokesman for the Progressive Conservative party stood in his place and associated co-ops with multinational corporations.

Mr. Baldwin: It shows what a lively party we are.

Mr. Skoberg: I am sure all hon. members are pleased with these amendments. There may be doubts in the minds of some members as to how far the amendments go. The co-operative movement has made its views known. It is unfortunate that some of the other points about which we are all concerned and which affect the agricultural economy have not been taken into consideration in the same way as the co-operative movement amendments.

I am sure that all members of the co-operative movement recognize the importance of the amendments that have been introduced. The hon. member for Regina East was pleased to withdraw his amendment to make room for the government's amendments in order to bring about an improvement so far as taxation is concerned. We are all pleased to support that type of amendment. We would like the goverment to bring in other amendments before this bill comes to a vote tomorrow afternoon. As we look at some of the proposals made by recognized farm organizations, surely the government recognizes that proposals and amendments should be brought in to look after other situations about which people are just as concerned.

• (8:30 p.m.)

Mr. Whiting: Mr. Chairman, I like all other members of the House received representations from credit unions in connection with this section of Bill C-259. When I began to receive these letters I felt it was my duty to meet with the credit union organizations in my riding because I must admit, as I freely admitted to them, that I am not as knowledgeable on this subject as I should be. One of the first things they pointed out in their attempt to educate me on this subject was the motto of credit unions—"Not for profit, not for charity, but for service." I believe this mottc clearly spells out their purpose.

A credit union is not a money-making or commercial organization. Many of them are small groups of individuals sometimes organized in a parish or a church. In many cases it is a group within a manufacturing or commercial establishment which has banded together. It is a form of mutual aid which has grown to a social force. We have heard some hon. members tell the House how they, as members of credit unions, have been enabled to buy implements to start them off as young farmers. I know of men who through their membership in a credit union have been able to acquire sufficient capital to make a start in buying a home.

I know of another case where a man was able to obtain far more desirable employment simply because money loaned to him by his credit union enabled him to buy a car to provide suitable transportation. Credit unions, even the larger ones, have a humanitarian aspect to their operations which is often absent when dealing with the strictly commercial organizations. They fill a definite need.

A credit union is a classic example of man helping man, not through charity but through co-operation one man with another. It is a form of brotherhood. Because credit unions faithfully played a part and have been instrumental in the creation and development of opportunities as well as providing the wherewithal for many to take advantage of opportunities, their membership has grown throughout Canada. In Ontario alone there are now over 1,400 credit unions in operation. But with this growth has come bigness, which has led to the need and development of central credit unions whose function, according to provincial legislation, is to act as the bankers for local credit unions and in this capacity they are the depositories of substantially all of the liquidity reserves of the locals. Centrals are bankers, too, for the operating bank accounts of the locals and in this capacity act as the clearing agents for the credit union movement which function is the means by which payment is effected for credit unions orders negotiated by banks and the cheques negotiated by the locals.

Coming back to the motto of the credit union movement, "Not for profit, not for charity, but for service," a good many of the credit unions in Ontario are operated by a group of voluntary helpers with minimum operating costs. The profits are then distributed through (a) patronage dividends, which really amounts to a reduction in the interest rate charged on the loans to members; (b) dividends—that is, interest—to members; (c) additions to reserve funds; (d) 20 per cent, in Ontario, of the net profits are set aside as a guaranteed fund established by statutory requirement by the government of Ontario.

The dividends issued to members are reported and tax collected through the issuing of T-5 forms. The only tax money, therefore, which the government is now seeking to obtain is the money set aside for reserves and the money set aside by statutory requirement in excess of that allowable under Bill C-259. According to information available to me, it has in the past rarely exceeded 20 per cent of the net profit of the union. This is the point which has been obscured by the discussion. In the House we are led to believe, not through any intention to deceive on the part of any hon. member, that credit unions do not pay taxes. In reality the amount not being taxed is the amount required by law to be put into reserves. The rest is paid through the members themselves in their private tax returns. Although there is a strong legal case for tax exemption, with supporting precedents, credit unions have interpreted the white paper and the tax act as pronouncements of government policy and have from the outset agreed to pay their fair share of taxation.

I return now to the social importance of credit unions and the part they play in the betterment of living for many people, and maintain that it is just too much to ask voluntary workers in small credit unions to administer the complicated taxation formulas proposed. I agree with many credit union men that it would mean the winding up of many credit unions throughout Canada. The law would be the master, not the servant.

I was not in the House yesterday when the amendments were made to the sections dealing with credit unions, but during the weekend I had an idea which I should like to put forward now. It is that the formula proposed in Bill C-259 with respect to credit unions be scrapped and in its place rules should be established whereby a credit union must allocate its profit to its members. Each member would receive a T-5 form reflecting his share of the profit, being the equivalent of interest on his deposit with the credit union, which he will include in his taxable income. The profit so allocated would be the profit after all allowable operating expenses and "patronage" dividends. Further allowance should be made with respect to such amounts as are required to set up a reserve to provide for anticipated uncollectable loans, such a reserve to be based on a reasonable percentage of loans outstanding. The remaining profit is the amount to be allocated to members.

This is substantially what is done by the amendments which were introduced in the committee yesterday. Interest on deposits are taxed at personal rates. Dividends on shares are also taxed at personal rates. The amount transferred to reserves because of statutory provisions will be generally taxed at 25 per cent. This is not an unreasonable tax rate. Really, the government has now considered credit unions as a true agent of the members of the Credit union and is dealing with them as such for taxation purposes. It is true that these new rules are somewhat complicated but I believe the complicated period will not last longer than a year. After that, the government's formula should be simple for all credit unions to follow.

• (8:40 p.m.)

In conclusion I should like, along with other hon. members, to compliment the credit union movement and co-operatives for the very sane and sensible way they presented their case to all members of this House and to commend the government for taking the steps it did in bringing in the necessary amendments to Bill C-259 as it affects them.

Mr. Rose: Mr. Chairman, since the hon. member for Halton put forward the thoughts he had collected over the weekend in a most eloquent way, I am wondering whether he intends to move his suggestion as an amendment to the amendment put forward by the President of the Privy Council. Would the hon. member answer that question?

Mr. Whiting: Mr. Chairman, I am quite satisfied with the amendments that were brought forth by the minister yesterday, which I think substantially cover what I said in my remarks.

Mr. Dupras: Mr. Chairman, I should like to take part in this debate in order to make a few points. I want first to join with those many members of one of the opposition parties who have praised the government for its wisdom in bringing this debate to a close. It seems that my hon. friends from Moose Jaw and Fraser Valley West agree with me, since in their speeches they mentioned how happy they were that this debate was being brought to a close.

[*Translation*]

Mr. Chairman, it is quite obvious that the opposition parties have run out of things to say and, after so many days of debate, can no longer discuss this legislation.

The hon. member for Calgary North (Mr. Woolliams) for some twenty minutes yesterday talked about everything but this legislation and the amendments thereto.

The amendments introduced yesterday in order to give a break to the Caisses populaires and co-operatives were highly welcomed by all hon. members. I also wish to say that I recognize the great importance of this Caisse populaire movement which has allowed a host of my fellow-citizens in St. Jérôme to become home owners. I can remember that during the years 1935-40, mortgages were hard to get and people had to resort to usurers to get a mortgage to realize a life-long dream.

The Caisse populaire movement allowed people of modest means to become home owners. In fact, the number of home owners in Quebec, which represented only 17 per cent of the population in 1946, today exceeds 50 per cent.

The Caisse populaire movement is extremely important for the labourer and the small wage earner. It is also important in many other respects. It was largely responsible for the education provided the workers and union members, as it encouraged them to save money. That movement should have been embraced by the labour unions, and I have always blamed them for not worrying about what went on in the plants; even during the 40's, they should have started training their members to save in the hope of sharing later on in the ownership of the businesses which employed them. But such is the task that the Caisses populaires and credit unions set for themselves; to get the small wage-earner to save money.

The Canadian people, from what we read and hear, have been relieved to learn that the period of uncertainty caused by the introduction of this bill as well as by the study which has been going on for almost 10 years, if the Carter Commission and the white paper are taken into account, will end shortly. The bill will be put to a vote and quite obviously passed tomorrow Wednesday at the committee stage.

Those are the few remarks I wanted to make. I urge the opposition members who have not yet spoken to follow my example, namely to be brief!

[*English*]

The Assistant Deputy Chairman: Shall clause 57 carry?

Mr. Thomson: Mr. Chairman, your haste is understandable, but I can assure you I shall not keep the committee long. It seems to me that at the moment all hon. members are trying to claim some credit for the changes made to the bill in order to benefit co-operatives. At least I am not going to do that; I shall give the credit for that to somebody else. Over the weekend I was at a convention in Regina and the subject of taxation of co-operatives came

up. I assured the questioner that the hon. member for Regina East had quite a bit to do with having these changes made.

I have one other comment to make. When a number of people wrote to me about this bill some time ago, I suggested to them one appropriate remedy was to lobby, which quite frankly I think is now part of our political process. The co-operatives have done that and they now see the result. This committee has in its wisdom made some changes to the bill that I think benefit those who need protection, such as small investors who have dealings with co-operatives. Those who have to pay tax under the bill can well afford to do so, but I am happy to see that the small individual will benefit from the proposed deductions from his income tax.

[*Translation*]

Mr. La Salle: Mr. Chairman, though I intend to be brief I would like to express my satisfaction about the amendments presented since yesterday. I am under the impression that I have been living one of the most pathetic days of my parliamentary career. In fact, in three and a half years I never witnessed a warmer climate than today when congratulations are coming from everywhere and when the minister is being commended whereas he was condemned not even two weeks ago. This demonstrates that the arguments raised a few days ago, the briefs submitted by various organizations and the speeches of members made the minister understand how important these changes are. In addition, I am glad to recognize the understanding and the broadness of mind of the minister who considered the arguments and the briefs in such a fair way and agreed, considering the turn of events to review his position and allow those organizations to enjoy a very special status considering their aims.

I believe it would be a waste of time to go over all the arguments heard last week during the day spent to ask those changes from the minister, but I cannot help saying how pleased I am to support such movements, considering their work, their achievements and the objective which they had in mind until now and which they can maintain in order to expand in the interest of thousands of citizens who believe in those co-operative movements, in the Desjardins movement and who, rightly so, have known fantastic results.

I was wondering a while ago why the government seemed to create a climate of anxiety during a few months. Was it necessary for us to wait so long for those movements to hear the good news they heard yesterday? Was it necessary for these organizations to make these representations which are always quite expensive? Fortunately, it is the results that count. These, I think, have been satisfactory. It appears from comments received from both the Desjardins movement and other such organizations, that the amendments introduced by the minister yesterday are quite acceptable. The responsible authorities of these institutions stated today that they were very happy about them.

I would have been derelict in my duty had I not acquainted the minister of my complete satisfaction in the hope that representations in the same vein will be made in the future with as much objectivity. It should be acknowledged that the briefs submitted were most unbiased and very serious. I believe that this had much to do with the minister's decision and I hope that such realistic briefs will be submitted in the future to make the government understand the needs of the community. I think this is the way we will be able to obtain favorable answers for the organizations concerned.

• (8:50 p.m.)

Mr. Chairman, I will simply express the wish to see again great days like the one we had today because it seems that the climate which exists today could generate faith among the population.

[*English*]

Mr. Benjamin: Mr. Chairman, I am moved to speak after hearing so many voluble supporters, members and sympathizers of the co-operative and credit union movement from all sides of the House. It leads me to ask the members of this House where they were when they were needed a few weeks ago. I find it passing strange that when in committee of the whole any member of this House may at any time move an amendment that would coincide with the speeches they have been making all day today—

Mr. Nielsen: All of a sudden.

Mr. Benjamin: All of a sudden. I am glad the hon. member for Yukon said that, because when the financial critic of the official opposition spoke about the credit union and co-operative movement in this country he was all for letting the little co-operatives survive. It was all right, and they should not be taxed too much. But once they become too big, whatever that means, they should be treated the same as any other corporation.

In view of those remarks by the financial critic of the official opposition I find it passing strange that the Conservative party has yet to move one amendment. They did not speak up until everything was over and done with. My question to them is, where were they when the co-operative and credit union movement needed them in this chamber? However, they did speak today. Also, none of the voluble Liberal backbenchers who have been catching hell from the credit unions in their constituencies failed to move any amendments in committee of the whole. However, I am happy the government has brought in these amendments. I think this is a good illustration of how a government can act positively and responsibly on an issue.

Mrs. MacInnis (Vancouver-Kingsway): When it has to.

Mr. Benjamin: When it has to and has no other choice. I would hope as a result of this experience and the experience the government had on another matter two weeks ago, for example, that the hon. member for Saskatoon-Humboldt, the minister in charge of the Wheat Board, will have learned some lessons about how to bring in amendments to legislation, about how to accept representations from organizations and Members of Parliament, and about how to quit being stubborn.

Mr. Chairman, if this House and members of the government have learned nothing else from this experience—

The Assistant Deputy Chairman: Order, please. Is the hon. member for Gloucester rising on a point of order?

Mr. Breau: Mr. Chairman, would the hon. member permit a question.

Mr. Benjamin: Of course.

Mr. Breau: Would he now agree, in view of his reasoning, that it would be advantageous to Saskatchewan to have Liberal members in that province so we could amend the legislation which affects Saskatchewan?

Mr. Benjamin: Mr. Chairman, I am glad the hon. member asked that question because it provides an opportunity for me to say something that otherwise you would rule out of order. If the hon. member and his colleague from Saskatoon-Humboldt learned anything from the Assiniboia by-election, they should have learned that three-quarters of the people in that constituency belong to a credit union, a co-operative or the Saskatchewan Wheat Pool. One Liberal from Saskatchewan now is one too many.

I ask the parliamentary secretary why the original proposals in this tax bill were included in the first place. If all his colleagues are such ardent supporters and believers in the co-operative and credit union movement, why were these provisions put in the legislation in the first place?

After the issuance of the Carter commission report a campaign was launched by the Income Tax Foundation, which hon. members on the other side and in the official opposition know something about, to destroy and discredit the co-operative and credit union movement in this country. Much of what was in the original tax bill was in the promotion of that breed of cat. When one looks at the representations made to this government, to the cabinet and to the caucuses of this House prior to and since the bill was proposed, one finds it passing strange that there were no protests from the official opposition, from the government backbenchers and from independent members. There was not a word.

• (9:00 p.m.)

Let this be a lesson to everybody in this place that when there are organizations that are part and parcel of the movement of the people of our country, whatever section it might be, any government moves at its peril to destroy that. Thank goodness this government and the happy parliamentary secretary, who has a lucky football team, did this, because the fight would have had to go on.

Let us also learn that these amendments which the government brought in are to undo what an outfit like the Equitable Income Tax Foundation were party to, headed by one Cecil Lamonte who used to be head of the Winnipeg Grain Exchange. He has some friends in this place. The membership of that outfit consists of the private grain trade and the private lumber industry. They have exerted all their efforts and hundreds of thousands of dollars to destroy the wheat pools and to destroy the consumer co-operatives which handle lumber and other hardware products. I did not hear a word on this from any member of the official opposition or from the backbench Liberals who today are so happy about these amendments.

If the parliamentary secretary did what I think would be perfectly proper, he would discriminate in favour of the co-operative and credit union movement. It is very possible that these amendments will mean less revenue for the Minister of Finance: it is possible, if not likely. I think this is very good. If there is any other way of doing something about the kind of activity of the corporate people in Canada who have been hiding in tax havens for years and have been making incomes without lifting a shovelful of dirt, so to speak, or doing a decent day's work out of which they paid no taxes, then it is about time we discriminated in favour of a sector of our economy that does do something for and about the needs of people in our system.

Mr. Nielsen: What are you shovelling now?

Mr. Benjamin: If the amendments of the parliamentary secretary do nothing else—and I hope they will—they will make it possible for the co-operatives and credit unions to become larger, more numerous and stronger, because if they do not then an area will be left in our economy into which the state will have to move. They play a necessary and needed role in our economy if for no other reason than that they serve as a check upon the private corporate interests in this country, if for no other reason than to show that those who talk about competition will have to do more than just talk a good fight; they will have to compete.

When the private grain trade says, "We give you as good a price for your non-Wheat Board grains in the elevators as the co-operative does," that is perfectly true—but it would not be true if the co-operatives were not there, as farmers learned through bitter experience for too many years. When I walk into my consumer co-operative and it costs me perhaps two cents a pound more for peanut butter than it does in the local private enterprise operation, there is a perfectly good reason for it, that is, that the private enterprise operation has some competition for a change and has had to reduce prices.

I hope that the amendments of the parliamentary secretary will mean that the government of Canada and this Parliament will discriminate, for a change, in this small way in favour of the co-operative and credit union movement. If this kind of co-operation arises again on another item of legislation, may I leave one further message for the hon. member for Saskatoon-Humboldt. There is a way to bring in amendments as a result of representations and as a result of what Members of Parliament say, and there is a way to cease being stubborn and to do something that needs to be done in terms of the grains industry, and that includes the three prairie wheat pools and United Grain Growers who in my opinion should be the only ones handling grain in the three prairie provinces.

Let me conclude by saying that there has been a great deal of posing going on today. I do not apply this word personally to any individual member, but there have been many members in the House who have posed today. I have felt sad and disappointed with them on a personal basis because they are people of whom I am proud and of whom I think a great deal. Many of those who posed today were not here when we needed them earlier. Had they

been here, the original proposals in the tax bill would never have been in the legislation. We would not have had to go through this exercise had there been genuine and sincere interest in the support and growth of the co-operative and credit union movement in this country.

Mr. Baldwin: I was delighted to hear the hon. member speak. He is usually very meek and mild, and it was nice to see him gather his courage together to make that sort of speech. However, I must correct him in one or two instances. He, together with other hon. members of his party, always views with alarm and is dreadfully frightened of things. This reminds me of a teacher I once had who was not quite able to put his phrases together. His way of expressing alarm was to say, "I smell a rat. I see it floating in the air. I shall nip it in the bud". The trouble with the hon. members of the party to my left is that one never knows where they stand. You have your full waffle, you have your half waffle, you have your quarter waffle and you have your non-waffle.

Mr. Nielsen: Waffleburgers!

Mr. Baldwin: We are never sure how they are going to vote and where they are going. We had an example of that a short while ago on the motion moved with respect to closure, when some members of the NDP voted to impose closure. I am sure they did so in full belief of the rightness of their cause, although we know that they were wrong and I think by now they know they were wrong.

I want to correct the hon. member for Regina-Lake Centre who spoke of the official spokesman of our party on this measure. The official spokesman with respect to co-operatives is the hon. member for Moncton, who was the first speaker on this issue when these sections were called. The hon. member for Moncton was put forward by our party as our spokesman and to indicate our party's position. Until that time my impression, on listening to the members of the NDP, was that they were confused and did not know which way to go. But those of us who are in the House heard the brilliant and eloquent speech made by the hon. member for Moncton when he indicated quite plainly his position, which was our position, with regard to co-operatives and made certain proposals. I was glad to see that he had such a tremendous effect on the hon. member for Regina Lake Centre and on other hon. members that they were able to accept his views. For the first time they came to a common position on co-ops and I compliment them for listening to reason.

• (9:10 p.m.)

As a result of that they moved an amendment which I thought was a good one. We would have been prepared to vote for it, but because the government put forward the present amendment they have withdrawn theirs. I say this with all due kindness, far more in sorrow than in anger. Having disposed of the New Democratic Party I would now like to turn to the Liberal party, those mice who roared today for the first time.

Why was this amendment put forward, Mr. Chairman? It is very interesting. Just a few weeks ago, in fact on November 10, some correspondence passed between the Alberta Wheat Pool and the Minister of Finance. The Alberta Wheat Pool, aided and comforted by the Conservative party, the official opposition, was attempting to secure certain amendments to the legislation. Knowing they had our support, the members of the Alberta Wheat Pool had been in communication both verbally and through correspondence with the Minister of Finance. On November 10 the minister replied to the Alberta Wheat Pool and this is what his letter said in part:

> The status of co-operatives was carefully considered during preparation of the tax reform bill. Originally these were small organizations, local in application, serving limited groups of people on a non-profit basis. However, many have now grown to a point where they compete with normal commercial enterprises while still benefiting from preferential tax treatment.

His letter concluded:

> The government considers that the proposed new tax bill, as amended, will result in a fairer distribution of the tax burden while helping co-operatives in the transition from exempt to taxable status.

Some five or six months after this bill first came to the cabinet, and three or four months after it was first distributed to members of the House—I will not go into the issue of when members of this party received copies of it; hon. members opposite may have got theirs early but we did not get ours until September, and some hon. members opposite, judging from their speeches, still have not read it—the Minister of Finance gave his firm and considered opinion that there would be no change in the bill with respect to co-ops. I repeat that he gave that as his opinion on November 10.

This shows the value and the efficacy of parliamentary debate. There has been a great deal of loose talk tonight about who was responsible for these changes. I join with those who say that the representatives of the co-ops, pursuant to their duty and instructions, laid their case before Members of Parliament, before the respective caucuses and before the Minister of Finance. But they were getting nowhere until the Members of Parliament, and I include one or two members opposite—the hon. member for Windsor should stand up and take a bow; he had an opportunity to listen to the hon. member for Moncton and his doubts were changed into full support for the position of the official opposition and I give him great credit for that—

Mr. Hogarth: Everybody has a mental lapse.

Mr. Baldwin: If more of his colleagues would follow us, this would be a better Parliament, a better government and a better country. When we see what happens with a determined opposition, with some slight help voiced in a very determined way by a member on the government side, it shows how essential it is to have effective, sustained and lengthy parliamentary debate. And when this vicious and savage government, in pursuance of its desire to have its own way, imposes the guillotine—it will probably also be considering imposing the guillotine with regard to third reading—it shows the fallacy of its own actions.

As I stand here today I venture to say that there will be dozens, possibly 100 or 150 amendments to the bill brought forward next session. There is no question about that. Earlier I challenged members of the government to stand up and deny that. They have not done so, nor can they do so because they know I am correct. For this

reason it is essential for the democratic process to have the kind of debate which produced this change, and the course of the debate yesterday was responsible for producing additional changes.

I am convinced that if closure had not been imposed and this debate had maintained its normal, reasonable length we would have been successful in compelling the government to bring in more changes, the changes that we need. Those are the facts. I think they must be accepted. I hope, Mr. Chairman, having disposed of the Liberal party we can now have the question put and vote on it.

Mr. Mahoney: Mr. Chairman, I hesitate to intervene in this interesting riposte between the has-beens in the official opposition and the never-will-be's in the NDP—

Mr. Bell: And the never-should-have-been's over there.

Mr. Mahoney: It has been a most interesting evening. However, the hon. member for Peace River has raised the matter of the time allocation and I think today's debate presents an excellent demonstration of just why that had to happen. At 3.32 this afternoon orders of the day were called and we started to debate five sections of the bill and the amendments that were introduced to those sections yesterday by the government. We have now spent almost three and a half hours in the House of Commons during which members on all sides have congratulated each other, have congratulated the co-op and credit union movements, and a few have even congratulated the government for the amendments that have been introduced.

There has been no suggestion that the amendments that have been introduced with respect to co-ops and credit unions have not been adequate. There has been no suggestion by any member that he wishes to introduce a further amendment to improve them. There has been no suggestion by any member of the House that he opposes those amendments. And so, Mr. Chairman, three and a half hours later we are still congratulating each other. This has reminded me of about the longest private members' hour I have experienced. Are we trying to talk out this bill? Are we trying to talk out these particular amendments? Or is there some possibility that having congratulated each other as often and as frequently as we have, having taken all the credit—surely more credit than is due to us—having given the co-op movement all the credit that is due to them, we might gratify them and the country and do some dignity to this House in committee of the whole by bringing the matter to a vote?

Some hon. Members: Hear, hear!

Mr. Nielsen: Mr. Chairman—

The Chairman: Is the hon. member rising on a point of order?

Mr. Nielsen: I am rising to speak, Sir.

The Chairman: The hon. member for Laval.

• (9:20 p.m.)

[*Translation*]

Mr. Roy (Laval): Mr. Chairman, I did not intend to take part in this debate, but in view of what has been said about the bill and the amendments, I feel I must join with my colleague, the honourable member for Essex (Mr. Whelan), who has expressed very well the feelings of the members on the government side. I think that all of us wish to congratulate the Minister of Finance (Mr. Benson) and his parliamentary secretary (Mr. Mahoney) for having accepted to amend Bill C-259 through amendments which are important especially for the urban caisses populaires.

We are aware of the services rendered by the caisses populaires to the small investors. Before I entered politics, I sat on the credit committee of a caisse populaire and, having received many letters, I must congratulate the executive of the caisses populaires on the manner in which they made their representations, informed the Liberal members of their grievances and of the possible solutions.

Mr. Chairman, the caisses populaires are an asset in the province of Quebec and, in my view, the action taken tonight by the government confirms the extent to which it will welcome the suggestions of movements or organizations which have views or solutions to offer.

I should like also to suggest that the 50,000 farmers in the province of Quebec who are members of the 227 agricultural co-operatives of the province, are happy to see the extent to which the government has really dealt with the problem of small investors in regard to the caisses populaires and the various farm co-operatives in the rural community.

Mr. Chairman, the parliamentary secretary said that for the past three and a half hours, we have heard praise from both sides of this House. I think that a certain member must be most unhappy about the speech he made this afternoon and which I followed closely. In fact, I believe that after reading *Hansard*, tomorrow, he will be ashamed of his speech. It is a disgrace, in the eyes of the whole agricultural community in the province of Quebec. I am thinking of the hon. member for Roberval (Mr. Gauthier).

He was speaking on behalf of the Social Credit, but I hope he reads tomorrow morning the speech he made this afternoon. I hope the Quebec farmers will see once again that the government members from Quebec deal with farming problems, that when briefs are presented to those responsible for the government administration here in Ottawa, they fall into the hands of people who do not want to make politics at the expense of private investors, the caisses populaires or the members of farm co-operatives.

Mr. Chairman, the statement of the member for Roberval is a disgrace for the Social Credit.

[*English*]

Mr. Nielsen: Mr. Chairman, the remarks of the parliamentary secretary a moment ago are a typical example of why this Parliament does not get things done in an efficient and effective manner.

Some hon. Members: Hear, hear!

Mr. Nielsen: He has that Liberal syndrome: This is our legislation. It is good. You shut up in the opposition and let us pass it.

The same thing applies to the amendments. Simply because they were brought in, the parliamentary secre-

tary expects everybody on this side to shut up because everything they do is good and so there is no way they can be criticized.

An hon. Member: After 40 days?

Mr. Nielsen: Those backbenchers over there who are so silent in this debate are all of a sudden on their feet. Why is it, Mr. Chairman? It is because closure has been invoked and all of a sudden they are turned loose to take up our time.

Some hon. Members: Hear, hear!

Mr. Nielsen: Even the arithmetic of the Parliamentary Secretary to the Minister of Finance is bad. He says we have spent three and a half hours on the debate today. A more accurate count is four hours, but in that time there were 11 interventions by Liberal members. How many of them have risen to their feet during this debate? Not one. Everybody was silent, and all of a sudden they are saviours of the co-operative movement and the caisses populaires. What phoniness, what hypocrisy!

Some hon. Members: Shame!

Mr. Mahoney: How many guys have you got in the gallery?

Mr. Nielsen: The gentleman from Regina talks about posing and posturing, yet spokesmen on this side from first reading onward have been advocating changes to the sections dealing with co-operatives and caisses populaires. Just look at the record.

Mr. Benjamin: Yes, look at it.

Mr. Nielsen: This chamber is for debate. This chamber is for the violent exchange of opinion, for the violent clash of differing viewpoints. We are not here to be silent, as are the backbenchers on the other side.

An hon. Member: You were not even here.

Mr. Nielsen: They say, "Be quiet or out you go to the woodshed and you won't get any of these nice parliamentary secretaryships that are waiting in the wings." They know on which side their bread is buttered, and if they dare speak up while the debate is in progress they are put at the bottom of the list for the goodies. They are told to be quiet and they are quiet.

Mr. Mahoney: They can't tell you; you are never here.

Mr. Nielsen: The parliamentary secretary knows that is not true.

Some hon. Members: Oh, oh!

Mr. Mahoney: It is.

Mr. Nielsen: All he has to do is look at the index to *Hansard* to find out how many times I have participated in debate. I am willing to lay that against the record of any of those backbenchers. I see the Minister of Indian Affairs and Northern Development is sitting behind the parliamentary secretary. He came up to my riding. When making his first political speech during his visit there he said that he is in the Yukon more than I am in the House of Commons.

Some hon. Members: Hear, hear!

Mr. Nielsen: I can tell him that I am in the House of Commons more than he is.

Some hon. Members: Oh, oh!

An hon. Member: You can, but it would not be true.

Mr. Nielsen: When he is told to be gone, he is gone; and when he is told to come in and sit down in his seat, he is there. The same thing applies to all the cabinet ministers; they are told to be there and say what they are told to say and nothing more. That is exactly what goes on behind those closed cabinet doors—You be good boys in the cabinet or out you go.

Mr. Osler: Where did that speech come from?

Mr. Nielsen: After this debate is over and after the great guillotine is brought crashing down on free speech, let us see on the next measure how many of these voluble Grits will be critical of government measures which they criticize so vehemently in caucus and which they criticize so vehemently and so hypocritically in their ridings. This is sad stuff. Mr. Chairman, it would be really humorous if it were not so sad—

• (9:30 p.m.)

Some hon. Members: Hear, hear!

Mr. Nielsen: —to see this display of hypocrisy and phoniness, and to see Grit members who believe in saying one thing in this House and then travelling home and saying something else. Mr. Chairman, this simply makes me sick.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Prud'homme: It is obvious, Mr. Chairman, that we did not intend to take part in the debate. I know that this is the usual excuse of those who want to make a speech.

The few notes I have are a good indication that it was not my intention to enter into the debate, but following the remarks of the hon. member for Regina-Lake Center (Mr. Benjamin) and more especially those of the hon. member for the Yukon (Mr. Nielsen) and perhaps those of the hon. Parliamentary Secretary to the Minister of Finance (Mr. Mahoney), I feel I must make a few comments. It seems that in the House the rules of the parliamentary game are ignored although they are frequently used. It is well known that those we call backbenchers do not participate in the debates as often as they would like to. The reason is they have ample opportunity of doing so. I do not know what happens in the other parties' caucuses, but I know that ours is called regional or national caucus of the Liberal party and I have had complete freedom to express myself there since 1968. And the real representations that can be made—the most effective and often the least obvious, from the standpoint of publicity—are very surely those made by the private members during the caucuses held every week and attended by the ministers concerned, the Prime Minister and all hon. members.

The hon. member for the Yukon states that we have obtained the authorization, no doubt a special one, of the whip and of the government leader to speak tonight. For my part, I believe that, in the House—with all due respect for parliamentary institutions—an abundance of useless speeches are made, considering the amount of work to be done. But to be told by the hon. member for the Yukon that we were authorized to speak is surely for us an invitation to answer him, always in the parliamentary style that he cherishes, that is on a very high level.

I say to the hon. member for Yukon that we are facing a dilemma. Either, as he says, we are permitted to speak now and are not talking or backbenchers never open their mouth. It seems that many hon. members are frustrated. For instance, during the oral question period, some government members can rise as many as 30, 32 and 34 times to ask questions. I recall my own case because I have taken note of the number of times I rose without being recognized by the Speaker. I certainly respect him as well as his rulings since the question period is reserved to the opposition members. I would also add that with regard to the oral questions asked from September 7, 1971 to November 5, 1971, 63 were from Liberals, 781 from Progressive Conservatives, 343 from NDP members, 77 from Créditistes and 18 from the two Independents. So it might be a good idea some day to explain clearly to the Canadian people how parliamentary rules work in the House of Commons, so that they may understand why backbenchers speak less frequently while they have the best opportunity to voice their views in caucus. This is what we have done and will continue to do. I do not intend to disclose the secrets of the caucus—

An hon. Member: Oh, oh!

Mr. Prud'homme: I will come to the hon. member and refer to the by-election in Assiniboia, if he wants me to do so. But the fact remains, Mr. Chairman, that it is sometimes difficult for members to remain silent—

An hon. Member: Oh, oh!

Mr. Prud'homme: I will answer the hon. member in a while, because there are some political matters which I would like to raise with him not in private but in public.

Mr. Chairman, I know that the representations made by ordinary members in caucus have certainly moved the government to reconsider the amendment now before us.

I also know—an essential thing—that the representations made by the Caisses populaires, the credit unions and the co-operatives have been an example of dignity and co-operation. That could easily be given as an example of the co-operation that can take place between people who fight for the same interests.

[*English*]

Regardless of what has been said, I wish to say that I have admired the co-operation that has gone on between the caisses populaires and the credit unions and co-operatives. They have worked hand in hand because they have a lot in common—

An hon. Member: Not with the Liberals.

Mr. Prud'homme: They had a lot in common with certain representatives who did not necessarily belong to the opposition.

[Mr. Prud'homme.]

An hon. Member: But not with the Liberals.

Mr. Prud'homme: At times I am afraid that I honestly and consciously believe that people like the hon. member who is trying to interrupt me have adopted their positions strictly for partisan, political purposes.

Some hon. Members: Shame!

Mr. Prud'homme: I remember other debates in which we dealt with the question of American deserters. We cooperated closely with the members of the hon. member's party and succeeded in working together in that instance. I think it is time for us to consider what is at stake. It is time for those who want to be thought of as defending the caisses populaires, credit unions and co-operatives to stop saying that these changes have been brought in because of their representations or their party's representations. They should not downgrade those who really made this possible. After all, no matter whether some people like it or not, the party I support is still the government and will be until given notice by the Canadian people. Therefore, representations made before our caucus still count for much. I strongly believe that representations made by our members have had a great deal of effect.

In conclusion, Mr. Chairman, I should like to remonstrate with the hon. member for Regina-Lake Centre who talked of the efforts being made by the Minister of Manpower and Immigration.

• (9:40 p.m.)

[*Translation*]

Had the voters in Assiniboia elected one or two more members to support the Minister of Manpower and Immigration (Mr. Lang), that might have helped him. But what can one man in a province do? If he says a bill is excellent, people are prepared to believe him, but right after that the leader of the Saskatchewan Progressive Conservative party, the former Prime Minister of Canada (Mr. Diefenbaker), the leader of the New Democratic Party (Mr. Lewis), formerly leader of the Saskatchewan New Democratic Party and former minister of Saskatchewan say the bill is inadequate, followed by the whole horde of Progressive Conservative and New Democratic members, also saying it is inadequate.

Of course, the hon. member has managed to confuse the people to such a point that they finally thought it was no good. But I would like him to repeat in his riding all the congratulations he offered a while ago to the government, because in any event I can assure the hon. member for Regina-Lake Centre (Mr. Benjamin) that if he repeats to his constituents in Saskatchewan what he has just said in the House, namely that this bill is an excellent one and that the government was well advised to make a new attempt, I will see to it to put things straight when I go to Saskatchewan. But what can I do when I go to Saskatchewan? However, I know one thing, and that is that the people of that province will soon realize that the Quebecers and the people of the Prairies have a lot in common in the economic field and that they will get excellent measures if they try to understand each other.

I know that if the hon. member keeps on trying to destroy all measures that the minister attemps to implement—

[*English*]

I am surprised. Most of the policies the minister is bringing forward are long-range and should be acceptable to the members of the New Democratic Party. However, because they come from the minister or someone in the Liberal party they have to be bad. I think sometimes we become too involved in politics. What is important is that we have in common the best interests of the Canadian people. When we have that in mind, I am convinced that the members of the New Democratic Party and the members of the Liberal party can work together in the best interest of the Canadian public.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Fortin: Mr. Chairman, I waited until tonight before taking the floor in the hope that we would have a chance to discuss section 8, as everybody welcomes the proposed amendments—not that they are perfect, but because they are real improvement to the bill. We have an amendment to section 8 to propose in order to try and bring this country closer to the just society which has been promised but never achieved. However, judging from the verbiage which we have been hearing from both sides, it seems that tonight, again, political parties will take precedence over the working man.

Mr. Chairman, I am extremely surprised by the attitude of those very people who were going to strangle the caisses populaires and credit unions, and who prepared this 790 page Bill C-259—that is to say, the Liberals. They are the ones who were ready to strangle in the caisses populaires, namely the Liberals.

Mr. Chairman, let us clear matters up. We are not talking here for the sake of politics, as was mentioned by the hon. member for Laval (Mr. Roy), who was talking politics instead of giving his opinion on the bill. We are here to clear matters up. I will take only five minutes but everything will be clear.

The Créditistes, contrary to what the hon. member for Laval said, were the only ones to rise to call for real improvement of the sections of the bill concerning the caisses populaires and the credit unions. I will say to this House—and I call the House leaders to witness—that when we tackled Bill C-259 at meetings of the House leaders the President of the Privy Council (Mr. MacEachen) asked everyone of us: What part of the bill do you want to discuss? For your party, what is the most important part of the bill? The minister is my witness that I said three things on behalf of our party. The one who speaks on behalf of our party is not the hon. member for Laval, who finds it hard to speak on behalf of his own electors and who never takes the floor.

At that time, I replied to the President of the Privy Council, on behalf of our party, that the three things we wanted to discuss were: personal income tax, capital gains and the problem concerning the caisses populaires and the credit unions, created by the government's bill.

Whereas the other parties had prepared long lists, we centered our effort on the more modest, the more deprived members of society, the more forgotten by this government in order that this tax reform may bring them a ray of hope and justice.

Mr. Chairman, this is why we avoided petty politics.

I was astounded to hear what was said on the other side of the House. The hon. member for Labelle (Mr. Dupras), who never takes the floor, got on his feet and with great fanfare said that he numbered among those who had contributed to loosen a bit the noose that was to choke the caisses populaires.

Finally, the hon. member for Gloucester (Mr. Breau) also indulged into such glib talk. I just came from his constituency where I met the leaders of "CRAN". I need add nothing else; he will understand. I urge him to repeat in his constituency, the poorest in Canada, the remarks he makes in the House. Strangely enough, when the beginning of this clause was discussed, the hon. member was not there to discuss it but today, when amendments are being brought forward and the government is amending the bill in compliance with the valuable representations made by the caisses populaires, he gets on his feet to say something.

Such are the facts. I shall say no more.

[*English*]

The Chairman: Order, please. The hon. member for Gloucester is rising on a point of order.

• (9:50 p.m.)

[*Translation*]

Is the hon. member for Gloucester rising on a point of order?

Mr. Breau: Mr. Chairman, I am rising on a question of privilege. The member for Lotbinière (M. Fortin) was imputing motives to me. I was in the House discussing the bill on second reading and in committee of the whole and asking the government to introduce amendments while my hon. friend was politicking throughout the country.

Mr. Fortin: Mr. Chairman, whatever the hon. member says, he is not talking the same language in his constituency.

Anyway, I will end my remarks with this. If those members are so in favor of the assistance for which they have been asking for such a long time so that a degree of equity may prevail, I would refer them to their own studies on poverty in Canada. My colleague from Bellechasse (M. Lambert), if hon. members can refrain from politicking in the House, is prepared to take the floor on section 8. The Chairman of the Privy Council will testify that we are not among those who took up too much time. The hon. member for Bellechasse intends to introduce an amendment to help the working man and to get him a better deal. When this amendment is put we shall see whether these members were sincere or were indulging in party politics!

Mr. Roy (Laval): Mr. Chairman, I rise on a question of privilege.

Mr. Chairman: The hon. member for Laval on a question of privilege.

Mr. Roy (Laval): Mr. Chairman, I do not want to take the time of the House but I would simply like to suggest to the hon. member for Lotbinière (Mr. Fortin) that he read in *Hansard* tomorrow the speech made by his colleague the

hon. member for Roberval (Mr. Gauthier). Then he will see that my interjection was logical and warranted.

Mr. Fortin: I rise on a question of privilege, Mr. Chairman.

Mr. Chairman: The hon. member for Lotbinière on a question of privilege.

Mr. Fortin: Mr. Chairman, I would refer you to the rules of this House and remind you that an hon. member has the privilege to say honestly what he thinks, and my colleague for Roberval (Mr. Gauthier) was entirely right in saying what he did. For the benefit of the hon. member for Laval (Mr. Roy) who was in the House at the time it is not our fault if he did not understand anything. This is nothing new.

Mr. Prud'homme: Mr. Chairman, I rise on a question of privilege.

I would like to ask the hon. member who just spoke to abide by the same principles. In fact he said that our hon. friend for Gloucester (Mr. Breau) was not saying the same things in his riding that he was saying here. So he was accusing him of being a liar. I think the hon. member should apply the same rules—

[*English*]

The Chairman: Order. The Chair has to rule that the hon. member for Laval, the hon. member for Lotbinière and the hon. parliamentary secretary are really engaged in argument; they do not have points of order or questions of privilege. The Chair will recognize the hon. member for Broadview.

Mr. Gilbert: I wish to address a short question to the Minister of Finance, one which I forgot to ask this afternoon. What is the estimated amount of tax the government had hoped to collect from the co-operatives and credit unions under the old section of the bill, and what would be the amount of tax the government hopes to collect as a result of the new provisions?

Mr. Mahoney: I do not have those figures. Some rough estimates have been made but I do not regard them as being very authoritative. The revenue implications have never been of primary concern here. It has been a matter of trying to achieve a proper method of taxation for these particular bodies. The revenue consequences have never been foremost in the mind of the government.

Mr. Burton: I want to make two comments with respect to some of the things which have been said in the debate today. Members from all parties have taken part in the discussion and I hope this will have the effect of ensuring that the provisions we are now enacting will remain in the law for a long time to come and that we shall ensure fair treatment for the co-operatives and credit unions.

I believe the hon. member for Winnipeg South Centre and the hon. member for Calgary South, the parliamentary secretary, have missed the significance of today's debate. The members who spoke in favour of what is proposed by the government, commending themselves or each other as the case may be, wanted to make sure that these provisions stay in force not only this year, next year or until the next election but on a permanent basis and are not removed after the next election. That is part of the function the debate today served.

The hon. member for Calgary South did the committee a poor service when he referred in the terms he did to the time taken by this discussion. Since the white paper was published we have spent days and days talking about capital gains, corporations and their shareholders, mining companies and things of that sort. Today we are talking about people. It is people who make up credit unions and co-operatives. It is their interest we are concerned about, and there is something wrong with our parliamentary institution if we cannot afford a day to talk about people as we have today.

Mr. Benjamin: The hon. member for Saint-Denis made some remarks which require me to say that while he was in Assiniboia helping to defeat the Liberal candidate by not saying anything about the co-operative and credit union movement as affected by the government's income tax law, those people told everybody else, even if he was not listening, what kind of amendments were needed.

Mr. Prud'homme: I rise on a question of privilege, Mr. Chairman. It is true I participated in the election in Assiniboia but I wish to remind the hon. member, very humbly and kindly, because he raised the question, that we won the six polls in which I was working.

Some hon. Members: Hear, hear!

Mr. Benjamin: And may I add that the Liberal vote was 200 votes lower in those six polls? If the argument used by the hon. member for Saint-Denis were logical, he has just put forward the case for a one-party government because according to him the only way to get amendments to government legislation is to be a member of a government caucus; anything anybody else says does not count.

His reference to what Liberal backbenchers did in their caucus is not relevant to this debate on co-operatives and credit unions. If he really believes that argument, what he is saying is that Members of Parliament need not say or do anything in this chamber because only backbenchers belonging to the government party can get the law changed.

Mr. Whelan: He did not say that.

The Chairman: Shall clause 57 carry?

Clause 57 agreed to.

Clause 58 agreed to.

The Chairman: Shall clause 1, section 135 carry?

Mr. Knowles (Winnipeg North Centre): Put the amendment first.

The Chairman: There is an amendment to section 135 moved by Mr. MacEachen on December 6, 1971, appearing at page 10175 of *Hansard*. Hon. members are familiar with it. Shall the amendment carry?

Amendment (Mr. MacEachen) agreed to.

The Chairman: Shall section 135 as amended, carry?

Clause 1, section 135, as amended, agreed to.

The Chairman: On section 136 an amendment was moved by Mr. MacEachen on December 6, reported at page 10178 of *Hansard.*

Amendment (Mr. MacEachen) agreed to.

The Chairman: Shall section 136 as amended carry?

Mr. Mahoney: There is also an amendment to section 136 in the name of the hon. member for Grenville-Carleton which should be called.

The Chairman: As the parliamentary secretary has pointed out, there is an amendment by Mr. Blair to section 136.

• (10:00 p.m.)

Amendment (Mr. Blair) agreed to.

Clause 1, section 136, as amended, agreed to.

On clause 1—section 137: *Deductions in computing income.*

The Chairman: Members of the committee will know there is an amendment to section 137 of clause 1, moved by the President of the Privy Council on December 6, which appears at page 10176 of *Hansard.* Hon. members are familiar with it. Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. MacEachen) agreed to.

Clause 1, section 137, as amended, agreed to.

Mr. Knowles (Winnipeg North Centre): A point of order, Mr. Chairman.

Mr. Mahoney: Mr. Chairman, there was an amendment to clause 58 before the committee and I am not sure whether Your Honour called it before calling the clause itself.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, that was my point of order. I think that includes both clauses 57 and 58.

The Chairman: I beg the committee's pardon. Is it the wish of the committee to revert firstly to clause 57 to deal with the amendment?

Some hon. Members: Agreed.

On clause 57: *Specified personal corporations.*

The Chairman: There is an amendment to clause 57 moved by the President of the Privy Council on December 6, 1971, which appears at page 10178 of *Hansard.* Hon. members are familiar with it. Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. MacEachen) agreed to.

Clause 57, as amended, agreed to.

The Chairman: Is it the wish of the committee to revert to clause 58 to deal with the amendment?

Some hon. Members: Agreed.

On clause 58: *Credit Unions.*

The Chairman: There is an amendment to clause 58 moved by the President of the Privy Council on December 6, 1971 which appears at page 10178 of *Hansard.* Hon. members are familiar with the amendment. Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. MacEachen) agreed to.

Clause 58, as amended, agreed to.

The Chairman: Order, please. It being ten o'clock, it is my duty to rise, report progress and request leave to consider the bill again at the next sitting of the House.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

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

COMBINES—INVESTIGATION OF SALE OF TORONTO "TELEGRAM" SUBSCRIPTION LIST TO TORONTO "STAR"—FEDERAL AID POLICY FOR CANADIAN PUBLICATIONS—PRESS REVIEW BOARD.

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I believe we all agree that ideally the publishing of newspapers, magazines and books in Canada should be Canadian-owned as well as competitive and financially healthy. I also believe that Canadians today are more and more alarmed to hear that newspapers and publishing companies are going bankrupt or coming under foreign ownership or, even worse, developing into a monopoly.

In December, 1970, when the special committee of the Senate on the mass media reported to Parliament, 77 of 116 daily newspapers in Canada were already owned by newspaper chains or groups. The very recent sales of three independently owned Ontario dailies to newspaper chains have further increased this concentration of ownership. The three newspapers involved are the *Belleville Intelligencer,* sold to Thomson Newspapers Limited, and the Brantford *Expositor* and Windsor *Star,* sold to Southam Press Limited. In addition, it is believed that Southam Press is negotiating to purchase two other unidentified newspapers.

The decision of publisher John Bassett to stop printing on October 30 the 95-year old Toronto *Telegram* must have chilled the blood of many publishers across our country. Earlier today we learned that Thomson Newspapers Limited has bought the Cape Breton *Post,* Sydney's only daily newspaper. This purchase brings the number of Thomson newspapers in Canada to 32. This means that almost half of the daily newspaper circulation in Canada is owned and controlled by three chains, Southam Press, F. P. Publications and Thomson newspapers. The Desmarais group controls four of the nine dailies, plus 13 weeklies in Quebec and K. C. Irving has acquired all the English language dailies in New Brunswick.

What is most disturbing about this concentration of ownership is the fact that in less than five cities all the chain-owned newspapers are published in single newspa-

per towns. There is no local competitor to stimulate their enterprise in covering the news or to provide a diversity of opinion. We hear that dailies in Calgary, Winnipeg, Quebec City, Moncton and St. John's are apparently experiencing financial difficulties.

From available evidence it would appear that, given the competition from other news media such as radio and television, the advertising revenue available to the newspaper industry is often insufficient to support competition within a specific readership market. However, when a natural monopoly exists, such as only one newspaper in a city, there is a profit to be made. This being the case, many Canadians believe the public interest would be better served by an independent, locally oriented newspaper rather than a group, chain-owned newspaper.

If true competition cannot be sustained, then concentration of ownership must be avoided as much as possible because a combination of both circumstances may not always be in the public interest. A variety of forces have combined to produce a growing concentration of press ownership. Technology and economics may be the dominant force since they undoubtedly favour the development of increasingly large units of newspapers. But there are other factors also. These include laws and regulations involving income tax and succession duties and the apparent ineffectiveness of existing legislation governing mergers, trusts and monopolies.

It is desirable to study these factors deeply and as quickly as possible. Only seldom in recent Canadian experience has a newspaper merger come under official scrutiny. The Combines Investigation Act applies to products. Newspapers are a service industry. However, in 1957 the Restrictive Trade Practices Commission investigated the amalgamation of the Vancouver *Sun* with the Vancouver *Province* to form Pacific Press Limited and found that the merger did not constitute a restrictive monopoly but recommended that no further ownership change should be made without court approval. It also stated that a further decline in the number of independent dailies would be prejudicial to the public interest.

In view of the difficulties encountered by daily newspapers, the ethnic press, the church press and others, there is need for involvement by the federal government and its agencies to ensure that the Canadian press will be in a better position to serve the Canadian reading public in a better way. The federal government and other levels of government as well should take steps to preserve the existing independent papers by all proper means. Canadians are waiting impatiently for an announcement of a federal policy on Canadian publications.

• (10:10 p.m.)

In the formulation of this policy the government should give serious consideration to the recommendation of the Senate committee on mass media, such as a press ownership review board and a publications development loan fund.

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): In accordance with section 27 of the Combines Investigation Act all inquiries under the act shall be conducted in private. For this reason, no statements can be made about the progress of any investigation until a report is made by the Restrictive Trade Practices Commission or until proceedings are commenced by the Attorney General of Canada. However, as was indicated in the House on an earlier occasion, the matter was being looked into by the director of investigation and research under the Combines Investigation Act.

The government is studying the issue of assistance to Canadian publications and will announce first steps in assisting book publishing within a few months. The recommendations of the Senate media committee are now under study and the government has not yet prepared its position with respect to these recommendations.

FAMILY INCOME SECURITY—FAMILY ALLOWANCES—NEGOTIATIONS WITH QUEBEC ON ADMINISTRATIVE ARRANGEMENTS—DATE OF PAYMENT OF INCREASES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, while I apologize for bringing the parliamentary secretary back to the House tonight I find that I must do so because of the difficulty in getting straightforward answers in the House or being able to continue a line of questioning to extract answers. Be that as it may, I am becoming increasingly concerned with the evasiveness of answers with regard to the government's proposal to increase family allowances under the family income security plan introduced in the House under Bill C-264. Last year, under the policy proposals indicated in the white paper on income security for Canadians, the government said:

> It is expected that legislation will be introduced in Parliament early in 1971, so that the program may go into effect September, 1971.

As is my duty as a Member of Parliament, I sent notice of this good news to all my constituents, especially those who are in dire need of assistance in order to provide a few necessities for their children. I am sure that many other members did likewise. You can imagine my disappointment and that of many Canadians across the country when the government suddenly announced subsequently that in view of advice from various agencies the program would have to be revised to include families beyond the proposed cut off at the income level of $10,000.

However, giving the government the benefit of the doubt and knowing that even with all the expert advice they profess to have they can make mistakes, my faith was restored when they introduced Bill C-264 for first reading on September 13, 1971, and indicated that the target date for the repeal of the old act would be May 1, 1972. The answers given to me to questions in the past few days, especially in view of the ambiguity regarding special agreements on social security with the province of Quebec, renew my suspicion that another delay may be in the offing and this worries me very much.

On one hand the Premier of Quebec expresses confidence that agreement will be reached, and on the other hand all I can extract from the minister and some of his colleagues is that discussions are ongoing. But I wonder if they realize that many hundreds of thousands of Canadian families in the low and no income brackets who depend on family allowances for extra food and clothing

for their children have been waiting since the 1940s for some show of sympathy and understanding of their needs.

It is very obvious, also, that in spite of tales of woe that the opposition are holding up the enactment of legislation, Bill C-264 could be introduced for second reading and passed with little or no delay—within a couple of days. Surely the bill could be completed in committee in another couple of sittings and third reading could be completed in another day or so. This would mean that if the government were really sincere in solving poverty in the country, since they are faced with massive unemployment, and if they are concerned about poverty stricken Canadians they would get immediate agreement from all opposition parties to pass the bill with the least possible delay.

In order to assure the people of Canada that the family income security plan will be dealt with, I ask the minister the following simple questions:

1. In view of the hardships being experienced by many hundreds of thousands of poor Canadians, will the minister assure them on behalf of the government that they can expect increases in benefits as indicated in Bill C-264, on May 1, 1972?

2. Does the decision as to putting into effect these increases depend upon the discussions with the province of Quebec and, if no agreement is reached, will it delay implementing the benefits to the other nine provinces?

3. In view of the compounding unemployment situation which cannot be resolved, even with the many measures introduced by the government, can the minister say if the government will consider introducing Bill C-264 immediately with a view to having it passed as an emergency measure, and thereby enable the government to update the payment of family allowance increases as soon as possible, even before May 1, 1972?

[*Translation*]

Mr. André Ouellet (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like first of all to reassure the hon. member for Humber-St. George's-St. Barbe by telling him that he did not have to call me back in the House tonight because I spent the evening here listening to the speeches of my colleagues.

I have noted the questions which the hon. member has just put. In reply to his first question, I can say that that it is certainly the intention of the government to proceed as soon as possible with the implementation of the bill which will provide low income families with benefits far more substantial than at present.

As regards his second question, I would like to state that the discussions now taking place with the government of Quebec have certainly not delayed passage of this bill. I think that the hon. member is aware that the proceedings of the House are unfortunately slow and he will understand that the government would have wished to introduce this bill earlier. It has unfortunately been unable to do so by reason of the crowded agenda of the House.

As to his third question, I would like to state that the government would certainly like to give priority to this bill when the order of the day allows it to do so.

In any event, I think that the government's forthrightness cannot be challenged in terms of its desire to help Canadian families and all Canadians increase their income. That the government wishes to combat poverty is obvious. On the one hand, it has acted quite quickly on the question of increasing old age pensions and granting additional income to senior citizens who have no other sources of income. It has considerably improved the unemployment insurance legislation and it proposes also to increase the benefits for large families, with low income.

I think that the hon. member should be commended for granting the government the benefit of the doubt when he said a few moments ago that he understood very well that it had intended to improve the bill by introducing certain amendments to the original proposal included in the white paper which was published two years ago. The amendments which were introduced between the time of publication of the white paper and the introduction of the bill by the hon. Minister of National Health and Welfare (Mr. Munro) are evidence that the bill has been substantially improved.

[*English*]

GRAIN—REQUEST FOR POLICY STATEMENT ON USE AND LEASING OF INTERIOR ELEVATOR FACILITIES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I rise on this matter which is almost as much a question of privilege as it is one of simple discussion. On November 25, as recorded at page 9875 of *Hansard,* I asked this question of the Minister of Agriculture (Mr. Olson):

Can the minister inform the House if and when bids were called for the purchase of the Canadian government interior elevator at Lethbridge? Will the minister also inform the House which grain company is acting as agent at the government elevator at Moose Jaw, and whether the elevator has been leased, is under contract, or under what terms it operates?

I did not get a proper answer to that question; Mr. Speaker called me to order. I asked again, with the permission of the Speaker:

• (10:20 p.m.)

Will the minister make a statement on motions in the near future informing the House what the policy of his department is, and indeed of the federal government, in regard to the use and leasing of interior grain facilities in western Canada, and explaining the basis upon which the grain will be handled in these facilities?

The Minister of Agriculture answered:

No, Mr. Speaker, I do not think so, but I would be very happy to answer the hon. member's question if it is put on the order paper, and perhaps to expand on it a little.

These questions arose in the miscellaneous estimates committee and some questions I put to the deputy minister as to what arrangements they were making regarding the contract for these elevators. I could not get a straight answer from the deputy minister. He said that he believed it was a written agreement. I asked if it was an agreement between Pioneer Grain and the Board of Grain Commissioners and he replied that he could not speak on behalf of the Wheat Board and Pioneer Grain. I asked a further question, and he replied:

No, but you asked for arrangements that the Wheat Board and Pioneer Grain had. I am making the reservation that I am not in a position to make any commitment in tabling such documents.

That was in the Standing Committee on Miscellaneous Estimates on November 24, 1971, at page 44 of the report.

On November 19, Mr. Speaker, Pioneer Grain Company Limited sent a circular letter to all elevator managers of its company headed, "Re: Arrangements finalized for using Canadian government elevators at Moose Jaw and Saskatoon". This came from its head office at the Richardson Building, Lombard Place, Winnipeg, Manitoba. It outlined the arrangements and agreement reached with the elevators. The second paragraph reads as follows:

> Producers who named Moose Jaw or Saskatoon as their primary or alternate delivery point can now haul grain on quotas authorized by the Canadian Wheat Board directly to the Canadian government elevator at either of the locations mentioned and make use of 5½ million bushels of space available at each of these grain handling facilities.

Yet the Minister of Agriculture who is responsible for the Board of Grain Commissioners refuses to answer a simple question about what is being done as to the disposition of these grain handling facilities. He refuses to say what sort of arrangements are available to other elevator companies. He also refuses to table in the House what are in effect the studies into grain handling in western Canada which have been made available, as I understand it, to the grains council, to the railroads and to other institutions. He does not make the information available to this House.

At the same time, a deal has been made with one grain company with headquarters in the Richardson building in Winnipeg to have handling facilities out of the interior terminals in Saskatchewan. Why the secrecy, Mr. Speaker? Why, when on November 19 the grain company was circularizing its agents in western Canada, could not the people responsible in this House answer a simple question put on November 24 and 25? Do they not know, or are they afraid to tell what they are doing?

I know that very recently they moved a trainload of grain directly out of the facilities in Saskatoon. I know they spent money upgrading the facilities so that grain could be delivered by truck. I am not opposed to this. I am merely saying that this House and the farmers of Saskatchewan should be advised of the policy of this government, what they are doing and how they are proposing to use these interior elevators which are paid for and operated by the taxpayers of this country. If they are paid for and operated by the taxpayers of this country, then I submit those taxpayers are entitled to know the manner and type of agreement which has been entered into under which these facilities are operated.

I am dumbfounded at the minister not being able to answer a simple question and give simple information to this House and preferring to say, as recorded at page 9875 of *Hansard*, "No, Mr. Speaker, I do not think so, but I would be very happy to answer the hon. member's question if it is put on the order paper." The minister should long ago have made a statement to the House on how these interior elevators were to be operated.

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, first, the question raised by the hon. member for Saskatoon-Biggar (Mr. Gleave) cannot be all that simple, even though he might say it is. After all, it took him ten minutes to explain his point. As I listened to him it seemed that he took strong objection to the minister not answering his question and to the minister's suggestion on November 25 that the question be put on the order paper. When the minister said, "No, I do not think so," he was answering the part of the question in which the hon. member asked if the minister would make a statement on motions.

May I suggest to the hon. member that he follow the minister's recommendation, if he has not already done so, and put his request for more information on the order paper in the form of a question. Or he could write directly to the minister, if he has not done so already, and in that way perhaps learn a great deal about the whole matter.

May I now attempt to answer the questions the hon. member has raised at this time. According to my information, in the case of the elevator at Lethbridge there has been an offer to sell and bids were called for in the press on November 3, the bids closing at noon on November 26. Applications have been received and are under consideration pending a decision. As for the elevator in Moose Jaw, to answer the other points the hon. member raised a few moments ago, I am informed that our policy has not changed there and that the elevator still operates under the Canadian Grain Commission. It receives grain for the account of grain companies, as has been the standard practice for years. I do not know if anything has changed there recently.

The hon. member mentioned Pioneer Grain Company Limited and the agreement that company has entered into. That company, I suggest, is doing the same thing as any other company. It has entered into an agreement with the government for using limited facilities. It seems that that has been the practice for years and will very likely continue. After all, the commission is accepting deliveries of grain on behalf of grain companies. That has been the practice in the past; that is the practice now. As to whether the practice has changed, I am not informed. I suggest to the hon. member that if he wants a complete answer he should write to the minister. I am sure he would be pleased to give a proper and complete answer.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, December 8, 1971

The House met at 2 p.m.

PRIVILEGE

MR. BLACKBURN—CONTRADICTION BETWEEN REPLY TO WRITTEN QUESTION AND STATISTICS CANADA REPORT

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise on a question of privilege. It was only yesterday late in the afternoon that I received in my office a copy of the annual report by the "Dominion Bureau of Statistics" for the fiscal year 1969-70, dated "November 1971."

That report contains a statement concerning the job vacancy survey which is being carried out by Statistics Canada for the Department of Manpower and Immigration. That statement is at substantive variance with the reply given on October 18 of this year by the Parliamentary Secretary to the President of the Privy Council (Mr. Jerome) to question No. 1,719 which I had put on the order paper on September 20 of this year.

To my question, "what is the first month in which results from the survey were prepared", the parliamentary secretary replied: "June, 1970." The Statistics Canada annual report, page 24, states:

> The complete system of this twice-a-month survey, including all mail and field interview phases, became operational late in 1969. Since that time, data have been produced for the Department of Manpower on a regular schedule.

The parliamentary secretary's reply also states that the initial publication will be for the period commencing June, 1970, that thereafter data will be reported monthly and that the initial publication is scheduled to begin before the end of 1971.

My question of privilege relates to the fact that as a member of this House I am only permitted to make inquiry of the ministry, pursuant to Standing Order 39(1). The ministry is not obliged to reply. But since the ministry chose to reply I maintain that I have the right to accurate information.

In view of the statement in the annual report by Statistics Canada, addressed to the Minister of Industry, Trade and Commerce (Mr. Pepin), I am faced with contradictory information.

I do not intend to present a motion at this time, but I will resubmit the same question with the hope that the two ministers involved will agree on a mutually acceptable answer.

ROUTINE PROCEEDINGS

MANPOWER

LOCAL INITIATIVES PROGRAM—STATEMENT ON OPERATION AND CHANGES

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I wish to make a statement on the recently announced local initiatives program. As of yesterday, December 7, a total of 2,752 applications had been received by the regional offices of the Department of Manpower and Immigration. Of these 2,247 were from private groups and organizations and 505 were from municipalities.

• (2:10 p.m.)

The first approvals were made on Wednesday, November 24, and as of yesterday a total of 177 projects had been approved, for a total federal contribution of $4,569,419. It is expected that 2,231 jobs will be created by these projects, all of which are either under way or ready to commence immediately.

Representations have been made by and on behalf of many small communities, indicating that the minimum project size of 30 man-months employment placed the program beyond their capabilities. In response to these representations I am pleased to inform hon. members that the minimum is now reduced to 15 man-months.

Some hon. Members: Hear, hear!

Mr. Lang: Any projects previously rejected because of failure to supply 30 man-months of work may be resubmitted.

It is now apparent that more applications which meet the basic criteria will be received than can be approved within available funds. To spread funds as broadly as possible it was felt that construction and maintenance projects for educational institutions and their grounds and hospitals and their grounds might be excluded from support under the program. This position was stated in a release dated November 24. Since that time representations have been received from some provinces requesting that this limitation be removed.

In response to these representations I am pleased to inform hon. members that applications by or on behalf of educational institutions and hospitals will be considered on their merits and given support under the local initiatives program where appropriate when viewed in relation to available funds and other applications from the area. All such applications will be treated as municipal for purposes of fund allocation and as such will be considered by my department only after receiving the concurrence of the provincial government concerned.

I might say, Mr. Speaker, that the rate of approval of applications has now increased to a fairly rapid one. I have just been informed of today's figures bringing up to date the number of applications approved. These figures show that 231 applications have been approved for a total of $6,427,475 and an expected creation of 3,015 jobs.

Some hon. Members: Hear, hear!

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, on behalf of our party I want to express our appreciation to the minister for his attention to our observations on the local initiatives program. I want to say as well that we are pleased that our recommendation that the 30 man-month restriction be eliminated was accepted in part but we are still not totally satisfied with the 15 man-month restriction. I firmly believe that this will limit the number of communities that can apply for assistance under the program.

Before making in two or three minutes a few recommendations to the minister, I should like to remind him of some realities that the government must consider in respect of the program. One is that, according to yesterday's figures, 503,000 Canadians are unemployed. Another is the deepening disparities across Canada made evident by the figures released yesterday. This will be further strengthened by argument from other members on motions later. There is also the fact that the program did not officially get under way until November 24 when the first jobs were created and will be terminated in May. The program was not well prepared; it was pulled out of the desks of deputy ministers when the Prime Minister (Mr. Trudeau) realized that unemployment was going to be as bad as we had said it would be if no action were taken.

The final reality is that, using the minister's corrected figures given a few moments ago, 231 applications have been approved for 3,000 jobs out of, I would presume, roughly 3,000 applications received. According to the earlier figures the minister gave us, 177 applications had been accepted out of 2,752 received, for the creation of 2,231 jobs. Inasmuch as in the previous month we lost 100,000 jobs in Canada, this does not provide too much consolation to the government or to the people.

Some hon. Members: Hear, hear!

Mr. Lundrigan: Here are a few suggestions for the minister. First, the decision-making process must be speeded up. We have received complaints of applications lodged for 21 days without a response despite the fact that I know that officials in the department are working many hours of overtime to try to accommodate the program. Second, since only 3,000 jobs have been created, and in view of the terrible ratio between applications accepted and applications received, consideration must be given to increasing the funds available. Third, consideration must be given to extending the program beyond the month of May because, as we saw last winter, some of the months with the highest unemployment were in the late spring, even including June. I think the minister must reconsider his position on that particular point. Fourth, consideration must be given to introducing more flexibility into the program in order to allow smaller communities that are not formally, structured as municipalities, local improvement boards or the like to make applications even if it means the creation of only three, four or five jobs for the winter months. I say that because some of these smaller Canadian communities suffer from the highest unemployment rates. Fifth, we believe that special consideration has to be given to areas of high unemployment. I am not referring necessarily to provinces with high unemployment as much as to particular parts of Canada, to certain municipalities or communities that are being hit so hard by the unemployment which has been induced in recent years as a result of the government's restrictive measures. I am especially thinking of the pulp and paper communities across this country that are being devastated as a result of lay-offs.

Finally, or semi-finally—

Some hon. Members: Oh, oh!

Mr. Lundrigan: —having looked at the ratio between applications received from private institutions and from municipalities, I think the 50-50 basis for allocation of funds which I believe was incorporated in the original terms issued by the minister has to be reconsidered, because it looks as though private groups are responding to a greater extent than many municipalities. This should be considered. Finally, we feel that the program must be taken under continuous evaluation so that corrections can be made from week to week in order that what was an ill-defined and ill-conceived program can have a more beneficial effect as the winter months go by.

Mr. Doug Rowland (Selkirk): Mr. Speaker, that is a tough act to follow. I should like to join in welcoming the announcement by the minister that the minimum project size under the local initiatives program has been reduced from 30-man months of employment to 15-man months and that applications by or on behalf of educational institutions and hospitals will be considered on their merits and given support under the local initiatives program, where appropriate, when viewed in relation to available funds and other applications from the area. I am pleased to see that the minister and the department have been sufficiently flexible to accommodate real need and to adjust the program as a result of representations made in this House and by municipalities. I find it unfortunate that these provisions were not included in the program as initially devised, because the delays in making these decisions and communicating that information to the communities which will want to become involved in the program now that the regulations have been changed will mean that fully effective use of the funds available simply will not be possible.

I also wish to point out to the House that even now, at this late date, only about 6 per cent of the funds allocated have been utilized. I think this shows the disadvantage of introducing such a program as late as it was introduced and demonstrates the lack of attention which was given to details in the devising of the program. The protests which were received from the provincial governments necessitated further delays and consideration before the plan could come into effect.

I want to underline at this point the necessity for the local manpower centres, now that these two decisions have been made, to communicate that information to the municipalities within their areas, to the hospital boards

that might be interested and to the school boards that might be interested and, as well, to communicate that information widely, effectively and immediately. This information ought to be made available at the earliest possible moment so that the communities can get down to work and make plans for submission to the government in order that they may become involved in this program.

• (2:20 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, it is a good thing for the minister to report to the House once in a while on progress made to this day under the local initiatives program.

Personally, I am not at all surprised by the changes that have been made in order to allow a greater number of municipalities or small communities to meet the requirements which, in my opinion, was extremely difficult for some localities to do before. I was precisely telling the Parliamentary Secretary to the Minister of Manpower and Immigration (Mr. Prud'homme) yesterday that I was worried because the minimum of 30 man-months of work prevented many small rural municipalities from taking advantage of the program. The fact that it has been reduced to 15 man-months should enable a greater number of small municipalities to benefit from the programm in submitting projects which I hope would be considered acceptable.

What surprises me in all that is that on page 2 of the statement appears the following:

It is now apparent that more applications which meet the basic criteria will be received than can be approved within available funds.

Once more, we have a ceiling because of lack of funds, artificial scarcity of money. Men are available, waiting for work, seeking jobs. Materials are plentiful, dealers and manufacturers are falling all over themselves to sell them. Nevertheless, we shall have to restrict work for lack of funds. An artificial scarcity of money.

I don't know when it will be realized that money should be man's servant and not his master, and that a responsible government in a democratic country such as ours should act as a wise administrator and arrange for money to be available when people plan to carry out work that will benefit the population. In any event, I believe we should consider this matter more thoroughly and take the necessary steps in order that the funds be made available at the proper time, so that we may be able to answer favourably all reasonable requests.

Secondly, I wish to express my sales fact on and congratulate the minister for having amended the program so that school boards and hospital authorities will benefit from it.

Personally, I think it is an improvement from which several Quebec communities and school boards will benefit—I refer to these because I know them best—thus clearing the way for school renovation while creating a number of jobs in appropriate conditions of, instead of cutting branches in four feet of snow workers can do some painting in public building, which the whole community could benefit from, I think this would be a good step forward.

Mr. Speaker, I must limit my remarks because you remind us of it quite often. In concluding, I would simply ask the minister to continue to provide us with information. As far as we are concerned, we can promise him that we will give him our support and make suggestions which may improve the program in order that our unemployed can find employment before May 31. Time goes by very quickly indeed and applications must have been received before January 31.

I think that it will be possible to do more, but once again I would like the applications to be considered and answers given as soon as possible so that the people will know that we mean business and so that our program will operate efficiently.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

ATLANTIC DEVELOPMENT COUNCIL REPORT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to ask unanimous consent of the House to move a motion under Standing Order 43. I do so because of the November unemployment figures released yesterday by Statistics Canada which showed that the number of unemployed persons in the four Atlantic provinces is 9,000 higher than in the previous month of October.

The unadjusted unemployment rate for each province was greater than in the previous month. In Newfoundland the rate jumped two percentage points to 11.4 per cent. In Prince Edward Island the rate jumped by 2.5 per cent to 7.5 per cent. In Nova Scotia the rate rose from 6.1 per cent to 7.4 per cent, and in New Brunswick the rate increased to 6.5 per cent from 5.5 per cent for the previous month.

In view of this deteriorating situation and the failure of the government's regional economic policies in relation thereto, I ask leave to move, seconded by the hon. member for Egmont (Mr. MacDonald):

That the first report of the Atlantic Development Council, containing recommendations for a development strategy for the region, be referred to the Standing Committee on Regional Development.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for St. John's East under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not, and the motion cannot be put at this time.

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker. I took great pleasure in seconding this motion because we are seeing a proliferation—

Some hon. Members: Order!

Mr. MacDonald (Egmont): There is an increasing proliferation of important documents which are being tabled, witness the report tabled yesterday by the Secretary of State on the Opportunities for Youth program. There is

no opportunity under the present system for members to consider seriously these important documents.

* * *

MANPOWER

PROGRAM ADVERTISING EXPENDITURES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S. O. 43

Mr. Doug Rowland (Selkirk): Mr. Speaker, I wish to ask leave of the House to move a motion under the provisions of Standing Order 43.

Yesterday in the Standing Committee on Miscellaneous Estimates the Minister of Manpower and Immigration admitted that $2,220,000 in over-expenditure reflected money spent or to be spent on advertising the local initiative program, the student summer employment program and the Keep Canada Growing campaign. The additional funds represent a 271 per cent increase over the amount originally requested for advertising by the department in the main estimates.

The urgency and importance of this matter are related to the need to ensure beyond all doubt that public funds are not being used, even indirectly, for partisan or electoral purposes, and are also related to the fact that there will be no further opportunity to discuss the matter in the House. I therefore ask leave to move, seconded by the hon. member for Battleford-Kindersley (Mr. Thomson):

That the extent and nature of government advertising be referred to the Standing Committee on Privileges and Elections for consideration and report.

Mr. Speaker: Just as in the previous case, this motion presented under the terms of Standing Order 43 requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is no unanimity and the question cannot be put.

* * *

REGIONAL ECONOMIC EXPANSION

TASK FORCE ON ARGENTIA PROBLEMS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S. O. 43

Mr. Walter C. Carter (St. John's West): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to present a motion in a matter of urgent and pressing necessity.

On February 15, 1970, a special federal task force was appointed and charged with the responsibility of making recommendations to the government with regard to the serious social and economic problems existing as a consequence of the phase-down of the United States naval station at Argentia, Newfoundland, and also the added financial burden placed on the municipalities in the area by the government's resettlement program. Since it is now obvious that the task force has failed to deal effectively with the problems and has not come forward with a long-range plan for the area—indeed, it has not met since April of this year—I move, seconded by the hon. member for St. John's East (Mr. McGrath):

That the chairman of the task force be directed to appear before the Standing Committee on Regional Economic Expansion.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not and the motion cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CMHC—STAFF COURSES

Question No. 992—**Mr. McCleave:**

1. Who attended a recent "think-in" organized by Central Mortgage and Housing Corporation?

2. What was its general purpose?

3. Where was it held, for how long a period and at what cost?

4. What were the total fees paid and what was the range of such fees?

5. (a) In what form are the conclusions of the "think-in" to be presented (b) will these be made public (c) how soon will the government react thereto?

Hon. Robert K. Andras (Minister of State for Urban Affairs): 1. Central Mortgage and Housing Corporation held a staff training course for 25 of its employees.

2. The purpose of this course was to develop the skills of the employees to enable them more effectively to contribute to the policy development functions of the Corporation.

3. The course was held at Ste-Adèle, Québec, from January 10 to January 22, 1971. The costs of such training courses, conducted by the Corporation, are internal administrative matters. It has not been the policy, nor the practice, to answer questions relating to the internal administration of the Corporation.

4. Arrangements for the participation of speakers, and payment to them, were made by the Intendes Research Foundation, which was then under contract to the Corporation.

5. (a), (b), (c) Since this was a training course, reports were not called for nor made.

OPPORTUNITIES FOR YOUTH PROGRAM—THE GENERAL STORE

Question No. 1,742—**Mr. Hales:**

1. What was the total amount paid to the Alice Street Commune (The General Store), Project No. 548 under the Opportunities for Youth Program?

2. Was there an on-site inspection of the project before the grant was approved?

3. Was an audit conducted before the final payment was made?

4. What were the names and addresses of those employed in the store and what salary was paid to each?

5. What was the total number of customers and sales of the General Store?

6. What were the operating expenses not including wages?

7. Is an audited statement available and, if so, from whom?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. The total amount paid to the Alice Street Commune (The General Store) Project 300-548 under the Opportunities for Youth Program was $4,250.

2. No, but immediately following approval, as per normal procedure, a visit was made.

3. The project organizers have not yet received final payment. However, the project will be audited before the final payment is made.

4. It is the policy of the department not to divulge publicly either the name or the place of residence of each employee of a project. However, Michael Bernhard and Fred Dell'Amico are the two contact people for the General Store. They can be reached at 6A Alice Street, Guelph, Ontario. Each member of the staff received a salary of $800 for a ten-week period.

5. Approximately 100 shoppers used the General Store per week for a total of 1,000 shoppers for a ten-week period. Sales varied from $200 to $350 per week. The money received from sales each week was turned over for buying new stock.

6. The operating expenses for the project were $250.

7. The audited statement will be prepared by the Department of Supply and Services. However, this statement constitutes an internal document for the use of the department and other government agencies only.

[*English*]

TERMS AND CONDITIONS OF EMPLOYMENT FOR PUBLIC SERVANTS EXCLUDED FROM COLLECTIVE BARGAINING

Question No. 1,808—**Mr. Orlikow:**

Has the government introduced any changes in the terms and conditions of employment of a non-salary nature since the last report of the Advisory Group on Executive Compensation (the Clyne Committee) regarding (a) the executive category (b) other public servants excluded from collective bargaining?

Hon. C. M. Drury (President of the Treasury Board): (a) Yes. As a result of the recommendations in the second report of the Advisory Group on Executive Compensation, certain non-salary benefits have been extended to employees in the executive category. These are payment by the employer of the premiums for the basic life insurance and five units ($50,000) of accidental death insurance under the Public Service Management Insurance Plan, four weeks' vacation irrespective of length of service and provision for extended sick leave of up to 6 months when needed, and if the employee has insufficient sick leave credits available. (b) Yes. Revised terms and conditions of employment for other public servants have been approved and are being issued. In general the terms and conditions of collective agreements will apply to excluded employees in comparable groups. At more senior levels, in the Administrative and Foreign Service and Scientific and Professional categories, provision has been made for certain additional non-salary benefits. These are management leave in lieu of overtime, improved meal allowances when working overtime and provision for repayable advances of sick leave credits of up to thirteen weeks.

HEALTH AND WELFARE—FEDERAL ASSISTANCE FOR RESEARCH PROJECTS

Question No. 1,810—**Mr. Orlikow:**

1. How many applications for grants to finance research projects did the Department of National Health and Welfare receive in the past year?

2. What was the total dollar value of the projects requested from the Department?

3. How many of the applications made to the Department were approved in full?

4. How many of the applications were approved in part only?

5. How many applications for research grants were turned down last year?

6. What were the reasons for the refusals?

Hon. John C. Munro (Minister of National Health and Welfare): For the fiscal year 1970-71, under the Public Health Research program, the National Health Grant program and the National Welfare Grants program: 1. 469.

2. $12,529,442.

3. 268.

4. 76.

5. 125.

6. Applications not within terms of reference; poor scientific merit; weakness of presentation and design; proposed methodology judged inadequate; lack of funds; duplication of research.

CMHC—INVENTORY OF HOUSING

Question No. 1,842—**Mr. Robinson:**

1. Does the government have an inventory of housing in Canada?

2. Does the government have any forecast of the numbers of senior citizens requiring housing or shelter in the next ten years and are plans being instituted to take care of this problem.

3. What is the total number of public housing units and what percentage is this of the total amount of housing units?

4. How many public housing units will be needed over the next ten years?

Hon. Robert K. Andras (Minister of State for Urban Affairs): 1. Although the government does not have an inventory of housing in Canada, Central Mortgage and Housing Corporation has made estimates of the housing stock which, in 1971, is estimated to total 6,217,000 dwelling units.

2. The government has a forecast of the number of persons 65 years of age and over for the next 10-year period, based on assumptions concerning such things as mortality rates and immigration. It is estimated that this section of the population will number 1,916,700 in 1976, and 2,188,800 in 1981. Some members of this group will require shelter and provisions for financing needed housing units are included in the Capital Budget of the Corporation.

3. To August, 1971, the total number of public housing units built or approved under the National Housing Act is

90,695 and 1,025 hostel beds. These self-contained units form 1.5 per cent of the total estimated housing stock in Canada in 1971.

4. To the end of 1969, 59,264 self-contained dwelling units and 295 hostel beds had been approved under the NHA in public housing projects. Commitments in 1970 and in the first eight months of 1971, have totalled 31,431 self-contained dwelling units and 730 hostel beds in such projects. The government recognizes the increasing need for the provision for accommodation of low-income families and is maintaining a high level of participation in the provision of housing for low-income families in the Capital Budget of the Corporation.

CANADA COUNCIL GRANTS

Question No. 1,943—**Mr. Latulippe:**

1. Since September 1, 1970, how many grants were made by Canada Council?

2. What agencies received grants?

3. What was the amount of each grant?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canada Council as follows: 1, 2 and 3. The Canada Council is not in a position to provide this information for the specified period. However, the Council's latest annual report, tabled in the House on October 28, 1971, lists all grants made in the period extending from April 1, 1970 to March 31, 1971.

OPPORTUNITIES FOR YOUTH PROGRAM—GRANT FOR PRODUCTION OF «THE PEOPLE'S HISTORY OF CAPE BRETON»

Question No. 1,945—**Mr. Coates:**

Was a grant provided to a group of individuals under the Opportunities for Youth Program to produce "The People's History of Cape Breton" and, if so (a) what was the amount of the grant (b) to whom was it awarded (c) what were the names of the individuals associated with the project (d) what was the outcome of their work?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. Yes, a grant was provided to a group of individuals under the Opportunities for Youth Program to produce "The People's History of Cape Breton". (a) The amount of the grant was $3,130. (b) The grant was awarded to Allan Story. (c) It is the policy of the department not to divulge publicly the names of individuals working on a project. (d) They published a 47-page booklet, researched, designed and prepared by three students. A teacher's manual and a bibliography were also included.

[*English*]

INDIAN RESERVES

Question No. 1,965—**Mr. Yewchuk:**

1. For the periods 1867 to 1965 and 1966 to 1970 inclusive, by provinces and territory, how many acres of land on Indian reserves and settlements have been purchased by (a) Canadians (b) Americans (c) others?

2. For each year, 1965 to 1970, how many teachers in (a) federal schools (b) non-federal schools are Canadian Indians?

3. To date, how many federal and non-federal schools for Indian children teach mostly in (a) French (b) English (c) Indian?

4. How many (a) federal schools (b) non-federal schools for Indian children include in their curricula Indian culture and traditions?

5. For the period September 1970 to June 1971, how many primary schools in the Province of Quebec taught (a) French only and a few hours of English per week (b) English only and a few hours of French per week?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Departmental records are not kept on an ethnic or nationality basis, therefore, the information requested is not available.

2. (a). 1965-66, 114; 1966-67, 135; 1967-68, 136; 1968-69, 158; 1969-70, 130; 1970-71, 206*.

*This figure includes teachers and teacher-aides.

(b) Information on teachers of Indian status employed in provincial schools is not available.

3.(a) and (b) All schools, federal and non-federal, use English as the main language for teaching, with the exception of 96 schools in the Province of Quebec where the main language used for teaching is French. (c) In British Columbia and Manitoba, the Indian languages are used for part-time instruction at pre-school level.

4.(a) 207; (b) 253*

*This figure excludes schools in Saskatchewan, Manitoba and Ontario where such instruction is provided as an option or supplement to established curricula.

5.(a) 81; (b) 44.

CMHC—RESEARCH ON IMPACT OF HIGH RISE APARTMENTS ON FAMILY LIFE

Question No. 1,967—**Mr. Kaplan:**

What studies have been conducted or are being conducted by or for the government to investigate the question of the desirability of raising children in high rise apartments?

Hon. Robert K. Andras (Minister of State in Urban Affairs): In February, 1970, a grant was authorized by Central Mortgage and Housing Corporation under the National Housing Act, Part V, to the Social Planning Council of Metropolitan Toronto to undertake research on the impact of high rise apartments on family life. This study is not intended to reflect on the desirability of high rise apartments for family living, but to examine factors which affect family living in this form of housing. The study is still in progress, with the final report being expected early in 1972.

CANCER RESEARCH

Question No. 1,975—**Mr. Robinson:**

Is the Minister of National Health and Welfare prepared to advocate an increase of support of cancer research by increasing the size of the block grant it has given to the National Cancer Institute of Canada, particularly in the area attributable to cigarette smoking?

Hon. John C. Munro (Minister of National Health and Welfare): More than $40,000,00 is being made available for health research mainly through such programs as Medical Research Council, Public Health Research Grant, Nation-

al Health Grant and Smoking and Health program. Consideration is given to all applications for support projects in the field of cancer research within the terms of these grants, including those submitted by the National Cancer Institute.

AWARD TO NATIONAL CANCER INSTITUTE

Question No. 1,977—**Mr. Robinson:**

Will the Minister of National Health and Welfare advocate an increase in the size of the annual award to the National Cancer Institute of Canada?

Hon. John C. Munro (Minister of National Health and Welfare): Upon receipt of a suitable application from the National Cancer Institute, the Department is prepared to repeat in the fiscal year 1971-72 the $250,000 grant that was made to the Institute in 1970-71. Researchers in the field of cancer research, including the National Cancer Institute, are encouraged to submit applications for support of specific projects within the terms of the Department's research grant programs.

NUMBER OF WORLD WAR I VETERANS IN CANADA

Question No, 1,993—**Mr. Robinson:**

1. How many veterans of the First World War are there in Canada?

2. How many veterans of the First World War are receiving veterans pensions?

3. What is the average pension received by veterans of the First World War?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): In the records maintained by the Department of Veterans Affairs, information with reference to veterans of World War I includes the veterans of the Boer War. Consequently the answers to Parts 1, 2 and 3 of this question incorporate the information requested in Question No. 2002. 1. Based on information obtained from the 1961 Census and adjusted for mortality by the Canadian Life Tables, 1960-62, the estimated number at June 30, 1971 is 96,500.

2. 21,122 as at September 30, 1971.

3. Pensions are paid at varying rates dependent on the degree of assessable disability. Additional pension is paid to pensioners with dependants, and allowances are granted for certain other factors such as need for attendance and exceptional incapacity. As an example, a married 100 per cent pensioner with six dependent children, in receipt of the maximum Attendance and Exceptional Incapacity Allowances would receive $11,712 annually, non-taxable. A single man, at the 5 per cent rate, without additional allowances, would receive $175.20 annually. 21,122 World War I veterans, as at September 30, 1971, were receiving a total amount of $30,822,543.

NUMBER OF WORLD WAR II VETERANS IN CANADA

Question No. 1,994—**Mr. Robinson:**

1. How many veterans of the Second World War are there in Canada?

2. How many veterans of the Second World War are receiving veterans pensions?

3. What is the average pension received by a veteran of the Second World War?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. Based on information obtained from the 1961 Census and adjusted for mortality by the Canadian Life Tables, 1960-62, the estimated number at June 30, 1971 is 789,000.

2. 102,033 as at September 30, 1971.

3. Pensions are paid at varying rates dependent on the degree of assessable disability. Additional pension is paid to pensioners with dependants, and allowances are granted for certain other factors such as need for attendance and exceptional incapacity. As an example, a married 100 per cent pensioner with six dependent children, in receipt of the maximum Attendance and Exceptional Incapacity Allowances would receive $11,712 annually, non-taxable. A single man, at the 5 per cent rate, without additional allowances, would receive $175.20 annually. 102,033 World War II veterans, as at September 30, 1971, were receiving a total amount of $124,120,803.

NUMBER OF KOREAN CAMPAIGN VETERANS IN CANADA

Question No. 1,995—**Mr. Robinson:**

1. How many veterans of the Korean War are there in Canada?

2. How many veterans of the Korean War are receiving veterans pensions?

3. What is the average pension received by veterans of the Korean War?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. Based on information obtained from the 1961 Census and adjusted for mortality by the Canadian Life Tables, 1960-62, the estimated number at June 30, 1971 is 26,000.

2. 2,025 as at September 30, 1971.

3. Pensions are paid at varying rates dependent on the degree of assessable disability. Additional pension is paid to pensioners with dependants, and allowances are granted for certain other factors such as need for attendance and exceptional incapacity. As an example, a married 100 per cent pensioner with six dependent children, in receipt of the maximum Attendance and Exceptional Incapacity Allowances would receive $11,712 annually, non-taxable. A single man, at the 5 per cent rate, without additional allowances, would receive $175.20 annually. 2,025 Korean Campaign veterans, as at September 30, 1971, were receiving a total amount of $2,172,803.

NUMBER OF BOER WAR VETERANS IN CANADA

Question No. 2,002—**Mr. Robinson:**

1. How many veterans of the Boer War are there in Canada?

2. How many veterans of the Boer War are receiving veterans pensions?

3. What is the average pension received by a veteran of the Boer War?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1, 2, and 3. Estimates of the veteran population and record of pensions in payment do not separately identify veterans of the Boer War. These data are included in World War I figures provided to answer to Question No. 1,993.

Questions

STUDY ON THE EFFECTS OF ABORTION

Question No. 2,024—**Mr. Robinson:**

Will the government consider the feasibility and necessity of conducting a study on the effects of abortion upon society?

Hon. John C. Munro (Minister of National Health and Welfare): The forthcoming proposed debate on abortion in Parliament should allow the government the opportunity to consider a study on the effects of abortion upon society.

YUKON AND NORTHWEST TERRITORIES—ORIENTATION COURSE FOR TEACHERS

Question No. 2,043—**Mr. Orlikow:**

1. Is there an orientation course for teachers going to teach in the Yukon or Northwest Territories and, if so, how long does this course last?

2. Who were the teachers at least year's orientation course, and what were their qualifications and training for the course?

3. What were the subject-matters covered at the orientation course?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. Yukon, no. Northwest Territories, yes, the duration of which varies from three days to six weeks.

2. Teachers at N.W.T. orientation courses were as follows: (a) Mr. N. J. McPherson, M.A., who did his major work in teaching English as a second language and who has ten years experience in the North. (b) Mr. M. Mallon, B.A., head of the Eskimo language school at Rankin, fluent in Eskimo. (c) Professor R. Williamson, University of Saskatchewan—fluent in Eskimo. (d) Mr. W. D. Thomas, M.A., Director of Education for IAND, Alberta an Indian with many years experience in Indian education. (e) Dr. Gloria Sampson, specialist in the field of teaching English as a second language. (f) Dr. J. W. Chalmers, expert in inter-cultural education, Alberta. (g) Mr. Paul Robinson, Director of Curriculum, NWT Department of Education. (h) J. H. Parker, Deputy Commissioner of the Northwest Territories. (i) B. C. Gillie, Director of Education, NWT Government.

3. Subject matters covered at the NWT orientation courses were school-community relations, curriculum adaptation including cultural and linguistical components, functions and objectives of schools in native communities, northern development emphasizing future objectives. In addition, panels of native peoples addressed the teachers on various aspects of community needs in the north.

ROYAL ONTARIO MUSEUM

Question No. 2,049—**Mr. Robinson:**

Has the government considered making the Royal Ontario Museum a national museum for grant purposes?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): No. We are, however, drawing up a policy dealing with museums and the national heritage, following the guidelines set out in my public announcement last February.

[Mr. Dubé.]

CBC—LOSS OF EQUIPMENT FROM PARKED VEHICLE IN TORONTO

Question No. 2,064—**Mr. Hales:**

Did the CBC have some of their equipment stolen in October, 1971 from a parked vehicle in Toronto and, if so (a) what was stolen and what was the original cost of the equipment (b) was the vehicle locked (c) how long had the vehicle been parked in that location (d) on what date was the theft reported and to whom (e) what disciplinary action was taken (f) was the equipment insured and, if so, was the cost of the equipment recovered?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: The CBC has no knowledge of any of its equipment being stolen from a parked vehicle in Toronto during October. However, the question probably refers to a missing camera package and its subsequent return in the month of September. The equipment involved was an assembled camera package consisting of an electronic camera, viewfinder, zoom lens and camera shoulder-mount, having a replacement value of approximately $20,000. The CBC truck containing this equipment had been parked on CBC premises and locked at about 11:30 p.m. on September 6 but was found unlocked on the morning of September 9. The theft was reported to the police late that afternoon following internal investigation. No disciplinary action was taken as no case could be established. The equipment, which was insured, was found and returned to the CBC in good working order; hence no claim was necessary.

[*English*]

PUBLIC SERVICE—HIRINGS AND DISMISSALS

Question No. 2,091—**Mr. Robinson:**

In each of the past ten years, how many public servants were (a) hired (b) released?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: (a) Hired 1961, 23,124; 1962, 19,338; 1963, 14,750; 1964, 19,199; 1965, 21,700; 1966, 21,979; 1967, 31,293; 1968, 20,397; 1969, 20,773; 1970, 23,055.

NOTE: The data on hiring relate to the number of initial appointments to the Public Service made by the Public Service Commission and its predecessor, the Civil Service Commission.

The Public Service Employment Act (1967) widened the Commission's appointing authority to cover certain kinds of employees such as "prevailing rate" employees and ships' crews who were exempt from the previous legislation. Thus the data for 1967 to 1970 are not strictly comparable with the data for previous years. It should also be noted that the total for 1961 includes about 1500 employees in Revenue Post Offices who were brought under the Act at that time.

(b) Released 1961, 12,466; 1962, 12,396; 1963, 11,226; 1964, 13,162; 1965, 14,546; 1966, 14,343; 1967, 16,830; 1968, 17,465; 1969, 17,512; 1970, 20,619.

NOTE: These figures include separation for various reasons such as resignations, death, rejection on probation,

dismissal, personal reasons, etc. They do not include summer students, seasonal and term employees.

PUBLIC SERVICE—NUMBER OF INDIAN AND ESKIMO EMPLOYEES

Question No. 2,093—**Mr. Robinson:**

How many Indians and/or Eskimos are employees of the Public Service?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: Section 12(2) of the Public Service Employment Act provides that the Commission, in prescribing selection standards, shall not discriminate against any persons by reasons of sex, race, national origin, colour or religion. As a consequence, no records are maintained of employees on the basis of ethnic origin.

[*English*]

CANADIAN BROADCASTING CORPORATION

Question No. 2,107—**Mr. Robinson:**

1. How many people were employed by CBC during each year 1960 to 1971 inclusive?

2. What was the CBC budget in each of these years?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Number of continuing CBC employees as of March 31 for each of the years in question: 1960, 7,127; 1961, 7,431; 1962, 7,756; 1963, 7,606; 1964, 7,783; 1965, 8,130; 1966, 8,284; 1967, 9,123; 1968, 9,042; 1969, 9,147; 1970, 8,951; 1971, 8,885.

2. CBC net operating budgets for each of the years in question, provided through parliamentary appropriation: 1959/60, $52,300,000; 1960/61, $59,288,000; 1961/62, $70,252,000; 1962/63, $72,655,000; 1963/64, $78,377,000; *1964/65, $85,869,000; 1965/66, $95,063,000; 1966/67, $112,403,000; 1967/68, $139,503,000; **1968/69, $148,329,000; 1969/70, $166,000,000; 1970/71, $166,000,000.

*CBC began to pay capital loan principal and interest out of operating funds

**CBC absorbed the shortwave international service into its regular operations.

[*English*]

NUMBER OF CANADIANS JAILED FOR DEBT

Question No. 2,131—**Mr. Robinson:**

How many Canadians have been jailed for debt in each year 1960 to 1970 inclusive and 1971 to date?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: This information is not available.

PUBLIC SERVICE OF CANADA

Question No. 2,143—**Mr. Robinson:**

How many women and how many men are employed in the Public Service of Canada?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: The Public Service Commission Annual Report to Parliament for the year 1970, Appendix E, page 76, indicates that as at December 1970 there were 55,861 women and 142,840 men under the Public Service Employment Act.

These figures do not include term employees.

[*English*]

NUMBER OF APPLICATIONS FOR PENSION AWAITING DECISION

Question No. 2,175—**Mr. MacRae:**

What is the total number of applications for pensions presently awaiting decising before the various adjudication bodies, i.e., the Department of Veterans Affairs, the Pension Commission and the Pension Review Board?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): As at October 24, 1971, the Canadian Pension Commission had 5,639 applications for entitlement to pension awaiting adjudication or in the process of adjudication. The Department of Veterans Affairs does not itself deal with pension applications. The Pension Review Board presently has no applications for pensions awaiting decision.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

PURCHASE OF POSTER "YOUTH CANADA JEUNESSE—L'AVENTURE ON THE ROAD"

Question No. 1,851—**Mr. Barnett:**

1. Were any copies of (a) a poster, size 24" X 37", "Youth Canada Jeunesse—L'aventure on the road" (b) a card, size 12" X 18", identically worded, purchased by the government and, if so, how many?

2. What firms printed these posters and cards and where were they printed?

3. To whom were they consigned for distribution and at what locations in Canada?

4. What was the cost of these posters and cards and the points of distribution?

5. To what individuals or organizations, in what places and in what quantities were these posters and cards distributed?

6. What was the total cost of this distribution?

7. Were all the posters and cards ordered and paid for by the government distributed and, if not, what quantity of each remains in stock?

8. What was the purpose for which these posters and cards were produced and distributed?

9. Which of the individuals or organizations to whom they were consigned were advised of the intended purpose?

10. Has the government an estimate of the percentage of copies consigned which were used for the intended purpose and, if so, what is it?

Return tabled.

LOSS OF FISHING RIGHTS AS A RESULT OF ESTABLISHMENT OF NATIONAL PARK, KENT COUNTY

Question No. 1,998—**Mr. Crossman:**

Of the fishermen who lost fishing rights due to the establishment of the National Park in Kent County, how many have

received compensation from the government and (a) what are their names and addresses (b) what amount did each receive?

Return tabled.

MAURICIE NATIONAL PARK

Question No. 2,036—**Mr. Matte:**

1. What was the date of the commencement of the work currently underway in Mauricie National Park?
2. What was the exact nature of the work completed to date?
3. What work is currently in progress?
4. How many employees have been hired?
5. What is the name, the address, the qualifications and the salary of each employee?
6. To date, what amount has been expended?
7. What is the estimated budget for next year?
8. How many additional employees will be hired within a year?

Return tabled.

CANADIAN UNIVERSITIES—NUMBER OF CARIBBEAN STUDENTS

Question No. 2,095—**Mr. Robinson:**

1. How many students from Caribbean countries attended Canadian universities during each of the years 1960 to 1970 inclusive?
2. What subsidy is paid to these students by the government?
3. How many students have remained in Canada after training at Canadian universities and colleges?
4. Is there any requirement whereby the students must return to their own country after receiving their education in Canada?

Return tabled.

• (2:30 p.m.)

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, on January 28, 1971—almost a year ago—I put question No. 830 on the Order Paper. I have often drawn the attention of the parliamentary secretary to this fact and he promised several times that an answer would be given. Could he tell us when the minister will answer my question?

[*English*]

Mr. Jerome: Mr. Speaker, I am not able to give that information this time.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion No. 75?

DEPARTMENT OF TRANSPORT—RESEARCH STUDIES

Motion No. 75—**Mr. Skoberg:**

That an Order of the House do issue for copies of the research studies undertaken by the Transportation Policy and Research Branch of the Department of Transport as reported in answer to Question Number 223 in *Hansard* of December 17, 1969 at page 2069.

[Mr. Crossman.]

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, last week I pointed out that we had given to the hon. member several of those studies, that some had been tabled and that three others were privileged. Moreover, I asked the hon. member to withdraw his motion.

[*English*]

Mr. Skoberg: Mr. Speaker, in view of the courtesy extended in supplying a number of studies that the department has, I agree to withdraw my motion at this time.

Mr. Speaker: The motion is withdrawn.

Order discharged and motion withdrawn.

Mr. Jerome: May I ask that the remaining notices of motions stand?

Mr. MacDonald (Egmont): Mr. Speaker, with regard to Notice of Motion No. 257 standing in my name, since the Minister of Transport was kind enough to supply these materials to me directly I would ask to have this motion withdrawn.

[*Translation*]

Mr. Speaker: The motion is withdrawn.

Order discharged and motion withdrawn.

Mr. Speaker: Are the other notices of motions allowed to stand?

Some hon. members: Agreed.

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

UNITED STATES DISC LEGISLATION—DISCUSSION WITH U.S. TREASURY SECRETARY—CONTINGENCY PLANS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. Yesterday the Prime Minister told the House that he had not raised the problem of the DISC legislation with the President of the United States in Washington. Did the minister raise this subject with the Secretary of the Treasury, Mr. Connally, when he was in Washington and did Secretary Connally advise the minister as to how this legislation might be applied in so far as it would affect Canada? May I also ask whether the government now has any contingency plans in regard to the DISC legislation, or is it the minister's attitude that the whole matter is still hypothetical?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the matter has been discussed with the Secretary of the Treasury of the United States and we have indicated our opposition to the DISC proposals. I am presently having my department analyse the DISC proposals as they are proceeding through Congress, and we do have some con-

tingency plans or at least are considering what we might have to do in case the proposals are enacted.

CANADIAN-U.S. DOLLAR RELATIONSHIP—DISCUSSION WITH U.S. TREASURY SECRETARY

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question relating to the minister's efforts in Washington. The Prime Minister also said yesterday that he had not raised with the President the relationship between the Canadian dollar and the United States dollar. Did the minister raise this matter with the Secretary of the Treasury, Mr. Connally, and did he receive from the secretary any assurance that the United States would not insist upon a further upward valuation of the Canadian dollar in relationship to the United States dollar?

Hon. E. J. Benson (Minister of Finance): First of all, Mr. Speaker, the determination of a country's currency is a national matter and is not determined by the United States or anybody else. Second, I should like to state that we have made our position quite clear, that we believe that if there is a general realignment of currencies the Canadian dollar should, at least in the short run, continue to float.

Mr. Stanfield: A further supplementary, Mr. Speaker. It is clear from what the minister has said that he did not receive any approval or acceptance of this point of view from the Secretary of the Treasury.

Mr. Benson: Nor do I require it.

Mr. Stanfield: Following his conversations with Mr. Connally and following the view expressed by the Prime Minister that these monetary matters would all be settled at the next meeting of the Group of Ten or at the subsequent meeting and that the United States surtax would be repealed at that time, I am wondering whether the Minister of Finance, being the great economic prophet of this government, shares this prophecy of the Prime Minister and is prepared to bet on it?

Mr. Benson: Mr. Speaker—

Mr. Speaker: Order, please.

UNEMPLOYMENT—POSSIBILITY OF NEW PROGRAMS IN LIGHT OF SMALL DECLINE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Finance. Can the minister inform the House whether the decline in the seasonally adjusted rate of unemployment from 6.7 per cent last month to 6.6 per cent this month represents, in his opinion, an adequate decline for this time of year?

Mr. Speaker: Order, please. I suggest that the hon. member's question is not asked in the proper way. He is inviting the minister to express an opinion and in those terms his question is not in order. The hon. member might like to rephrase the question or to ask a supplementary.

Mr. Orlikow: Mr. Speaker, I will rephrase my question. In light of this very small decline, is the minister giving any consideration to announcing new programs to reduce the rate of unemployment markedly?

Hon. E. J. Benson (Minister of Finance): Not at this point, Mr. Speaker.

Mr. Orlikow: May I ask the minister whether he can assure the House that this slight decline is the beginning of the movement toward the less than 6 per cent unemployment that the minister has been predicting for some time now?

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate on a supplementary.

UNEMPLOYMENT—SPECIAL PROGRAM FOR LONG-TERM UNEMPLOYED

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to ask the Minister of Finance whether he has any special program to offer those Canadians who have been unemployed for a long time in view of the fact that the statistics released yesterday show that 42 per cent of the people who are unemployed are classified as long-term unemployed?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we have already announced programs that are unprecedented in Canada's history.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—CONSULTATION WITH PROVINCES AND MUNICIPALITIES ON STUDENT EMPLOYMENT—EARLY IMPLEMENTATION NEXT YEAR

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State. It relates to the evaluation report tabled yesterday on the Opportunities for Youth program. In view of the limited information it gives about clearly important questions, I wonder whether the minister can indicate to the House whether or not there has been or will be any extensive consultation with the municipalities and provinces regarding the general question of student employment in so far as that comes within the responsibility of the federal government, and will this form part of the over-all proposal that the minister will put forward in regard to the Opportunities for Youth program?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The answer to both parts of the question is yes, Mr. Speaker. I have spent the better part of my time, in the last three weeks, at those consultations and, of course, their result will constitute an important element of any policy on youth the government may adopt sometime in December.

• (2:40 p.m.)

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, I wonder if the minister could indicate if he will be prepared to make a statement in the House before it adjourns inasmuch as he

indicated two days ago to a question that he would be prepared by the middle of the month to indicate the government's position with regard to the program?

[*Translation*]

Mr. Pelletier: That is not exactly the case, Mr. Speaker. I said the decisions would be made around the middle of December and that a statement, probably on motions, would be made at the latest on January 15, provided of course the House is sitting at that time.

[*English*]

Mr. MacDonald (Egmont): In view of the overriding concern many students will have as a result of this year's experience with the lateness of the date and the planning time needed, can the minister assure the House that the program will be implemented early in the new year so that adequate planning can take place both on the part of students and those responsible for administering the program?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I did indicate the latest date on which the announcement will be made, provided of course the government finally agrees to maintain its Opportunities for Youth program. That would be January 15.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—SUGGESTED HIGHER REMUNERATION FOR STUDENTS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary is directed to the Secretary of State. In view of the fact that according to the evaluation tabled in the House yesterday only 5.8 per cent of project leaders and 3.7 per cent of the staff saved more than $800 in the program last summer, can the minister assure the House that next year's program will have a more realistic per capita remuneration so that working class students who participate can be assured of earning enough money to go back to university next fall?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I can assure the hon. member that this question is under consideration, Mr. Speaker.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—INQUIRY AS TO APPLICATIONS ON FILE

Mr. Robert Simpson (Churchill): I have a supplementary, Mr. Speaker. With regard to the proposed program and the possibilities for next summer, can the minister say whether there are any projects on file at the present time with the department?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am sorry, Mr. Speaker, but I did not understand the meaning of the hon. member's question.

[*English*]

Mr. Simpson: Mr. Speaker, I should like the minister to say if he knows whether any projects are at present on file with the department in the event that the proposals may come up or that the program may be put into effect.

[Mr. MacDonald (Egmont).]

[*Translation*]

Mr. Pelletier: I am afraid I still do not understand, Mr. Speaker. If the hon. member would specify—

[*English*]

Mr. Speaker: Order, please. I am not sure it would be very conducive to the efficient conduct of our business if the question were to be repeated, but the hon. member might like to repeat the question a third time and hopefully the minister will understand it. Otherwise we will have to continue our business.

Mr. Simpson: Thank you very much, Mr. Speaker. In view of the short notice of this program given last summer and in view of the fact that many proposals which were sent in only a week or so after the program was initiated were turned down, I would ask the minister now whether there are any applications on file with the department for a possible program next summer?

[*Translation*]

Mr. Pelletier: Mr. Speaker, some projects submitted last year are still on our files. But, should the program be re-activated, it is possible that, because of the experience acquired last year , we feel that the standards to be announced before January 15 should be changed, and in consequence, those projects may not meet the new standards at all. In such cases, the young people should be invited to bring their projects up to date.

[*English*]

Mr. Speaker: The Chair will recognize a last supplementary on this subject by the hon. member for York South and then, recognize the hon. member for Brandon-Souris.

OPPORTUNITIES FOR YOUTH PROGRAM—EVALUATION BY TREASURY BOARD

Mr. David Lewis (York South): Mr. Speaker, I should like to ask a supplementary of the President of the Treasury Board. In the normal supervision by the Treasury Board of expenditures has the Treasury Board or the minister's department made any evaluation of the Opportunities for Youth program and, if so, I wonder whether the House could have the report on that evaluation?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in the ordinary course of events the Treasury Board would not make an evaluation of the program but merely an audit of the evaluation made by the department. The responsibility for the evaluation is that of the department and the responsibility of the Treasury Board is to see that an adequate evaluation is made.

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NATIONAL LIBRARY

INQUIRY AS TO APPOINTMENT OF ADVISORY BOARD

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Secretary of State. When will the Secretary of State be appointing the National Library Advisory Board which is called for under the National Library Act passed by Parliament about two years ago?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Very soon, Mr. Speaker.

[*English*]

Mr. Dinsdale: In view of the vital importance of the National Library as a centre for unbiased information, as contrasted with the government's chosen propaganda instrument, Information Canada—

Some hon. Members: Oh, oh!

[*Translation*]

Mr. Speaker: Order, please. Does the hon. member for Joliette have a supplementary?

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—CONTINUATION OF PRESENT POLICY

Mr. Roch La Salle (Joliette): Yes, Mr. Speaker. I have a supplementary for the Secretary of State.

In view of the great interest which all members of this House as well as several Canadian organizations have in the Opportunities for Youth program, and considering that some organizations are concerned as to whether the program will be continued, and, finally, in the light of the minister's remarks, I would like to ask him, without trying to know specifically how it would be implemented, whether the Opportunities for Youth program will be continued in 1972.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I cannot give a definitive answer in this connection as the final decisions have not yet been made. However, I can reassure the hon. member by saying that it seems likely that the program will be continued.

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AGRICULTURE

FINANCIAL ASSISTANCE TO QUEBEC HOG AND EGG PRODUCERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to ask a question to the minister of Agriculture.

In addition to the deficiency payments adjustments provided under the Agricultural Stabilization Act, has he given consideration to financially helping hog and egg producers who have been operating at a loss in the last 12 months?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I can repeat the announcements I have made in the House on several occasions but I am sure you would not allow me to do that. For the hon. member's information, I will be very happy to send him a printed copy of what we are going to do for the egg producers and the hog producers as soon as we have the statistics for 1971. I can also give him a report on the very significant improvement in egg prices as a result of the action we took about a month ago.

EXTERNAL AFFAIRS

CANADIAN CONTRIBUTION TO NATO—DISCUSSION BY PRIME MINISTER WITH PRESIDENT NIXON

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In view of the announcement that ten European NATO members will increase their 1972 contributions to NATO in order to relieve the United States military and economic burden, has there been any change in this government's policy in respect of NATO?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. As I recall it, the purpose of the U.S. policy, as was ours, was to increase the contributions that European countries would make to the NATO alliance.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I should like to direct my supplementary to the Prime Minister. During the recent talks between the Prime Minister and the President of the United States was Canada's commitment to NATO one of the topics of discussion?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the President and I did talk about NATO in general terms.

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SHIPPING

MAINTENANCE OF SERVICE ON WEST COAST OF VANCOUVER ISLAND

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport. The minister will recall that a few days ago when I asked him a question about the need for maintenance of the boat service on the west coast of Vancouver Island he indicated this was a matter for consideration by the Canadian Transport Commission. Has the minister had any response to the request that this matter be considered by the CTC and can he tell us the result?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker. I did make representations to the Canadian Transport Commission and furthermore satisfied myself that alternative means of transportation are not yet available in the area. I indicated this to the CTC and as a result they have agreed to the extension of the subsidies for a period of six months.

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CANADIAN PACIFIC RAILWAY

PROPOSED REMOVAL OF CERTAIN STATION AGENTS IN SASKATCHEWAN

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a supplementary to the Minister of Transport. When is the minister going to express his position on the application of Canadian Pacific Railway to the Canadian Transport Commission to remove 56 station agents in

Saskatchewan and when will a statement be made on this matter?

• (2:50 p.m.)

Hon. Donald C. Jamieson (Minister of Transport): I am surprised at the nature of the supplementary question. I did not realize we had ferries in Saskatchewan.

Some hon. Member: Oh, oh!

Mr. Jamieson: In any event, I will take this question under advisement.

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AIR TRANSPORT

HIJACKING—INQUIRY AS TO INTRODUCTION OF LEGISLATION—CHARGES LAID IN RECENT CASE

Mr. Eldon M. Woolliams (Calgary North): I would like to ask a question of the Minister of Justice. In light of the present heavy air traffic which will continue to increase because of the festive season, will the minister be bringing in special legislation with regard to hijacking offences to guarantee that there will be a real deterrent against this crime being committed again in Canada in light of the hijacking of a plane flying out of Calgary?

Hon. John N. Turner (Minister of Justice): The Secretary of State for External Affairs signed an extradition treaty with the United States last week which will be before the House. In that treaty there is provision for mutual extradition of hijackers. In Calgary seven charges were laid against the accused. We hope to complement the extradition treaty as soon as possible by legislation which will be incorporated in a larger bill.

Mr. Woolliams: I wonder whether, without getting into any details of the offence itself, the minister would tell the House what charges were laid and whether the accused is being held in custody in light of the serious situation that has developed?

Mr. Turner (Ottawa-Carleton): Perhaps the House will allow me to give a list of the seven charges to the hon. member.

[*Later:*]

HIJACKING—POSSIBLE RETROACTIVITY OF LEGISLATION IMPLEMENTING EXTRADITION TREATY

Mr. Douglas A. Hogarth (New Westminster): I have a supplementary question for the Minister of Justice. Does he intend to introduce legislation with regard to the extradition treaty to make it retroactive so that it would apply to the accused man in Calgary?

Hon. John N. Turner (Minister of Justice): No, Mr. Speaker.

[*Later:*]

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is supplementary to one previously asked of the Minister of Justice. Will the extradition treaty recently signed by the Secretary of State for External Affairs allow for the extradition by the United States of John Doyle, or does it require Joey Smallwood's signature?

Some hon. Members: Oh, oh!

[*Later:*]

HIJACKING—CONSIDERATION BY HOUSE OF CONVENTIONS ADOPTED BY INTERNATIONAL AIR TRANSPORT ASSOCIATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I wish to direct a question to the Minister of Justice. Will we also be asked to deal with the conventions passed by the International Air Transport Association regarding hijacking?

Hon. John N. Turner (Minister of Justice): Will who be asked to deal with—

Mr. McCleave: I am sorry, Mr. Speaker. In trying to make my question short I have lengthened the time it will take. When the House is asked to deal with the Canada-United States extradition treaty amendment with regard to hijacking, will we also be asked to deal with the conventions passed by the International Air Transport Association this year in Montreal?

Mr. Turner (Ottawa-Carleton): I would have to discuss that matter with the House leader and the Secretary of State for External Affairs.

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HEALTH

SUGGESTED WARNING TO DOCTORS OF DANGERS OF HEXACHLOROPHENE

Mr. P. B. Rynard (Simcoe North): I have a question for the Minister of National Health and Welfare. In view of the fact that the food and drug administration in the United States has sent out a warning to 600,000 physicians and other health professions regarding the dangers of hexachlorophene, what has the Minister of National Health and Welfare done to alert doctors and ancillary services in Canada?

Hon. John C. Munro (Minister of National Health and Welfare): I am pleased to advise the hon. member that the Food and Drug Directorate is looking at this very matter now and I expect to have an announcement very shortly.

[*Later:*]

Mr. Rynard: Mr. Speaker, I should like to ask the Minister of National Health and Welfare whether similar warnings will be sent out to the trade and whether warnings on labels against this drug will be required?

Mr. Munro: As I indicated, we are preparing our position on this matter. I will not be in a position to answer the hon. member more specifically for a day or two.

ADMINISTRATION OF JUSTICE

SUGGESTED LEGAL AID PROGRAM FOR THE YUKON

Mr. Erik Nielsen (Yukon): I have a question for the Minister of Justice in his capacity as Attorney General for the Yukon. Since he has inaugurated a program of legal aid in the Northwest Territories as part of his responsibilities as Attorney General for that territory, can he say what steps he is taking to inaugurate a similar program in the Yukon as is his responsibility as Attorney General for that territory?

Hon. John N. Turner (Minister of Justice): As long ago as last August, before I went up to Yellowknife to sign with the Commissioner of the Northwest Territories a program of legal aid for the Northwest Territories, I made a similar offer in similar terms for the same type of legal aid agreement for the Yukon. I was not able at that time to persuade the Commissioner of the Yukon, Mr. Smith, to sign a similar agreement.

Mr. Nielsen: I have a supplementary question for the Attorney General for the Yukon. Since the barrier seems to be the Commissioner of the Yukon and since the Commissioner takes his orders from the Minister of Indian Affairs and Northern Development, can the Attorney General for the Yukon speak with his colleague to see if this log jam can be broken?

Mr. Turner (Ottawa-Carleton): I am in constant friendly communication with my colleague.

Mr. Stanfield: One of the few people who are.

Mr. Aiken: That is because you are not an Indian, John.

Mr. Speaker: Order, please. I think I should point out to hon. members that there are many postulants for questioning and we will be running short of time unless we limit supplementaries.

REPORT ON NATIONAL LEGAL AID SCHEME—REQUEST FOR PUBLICATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Can the Minister of Justice advise the House if he has received a report on a national legal aid scheme for Canada, and when will he be publishing the contents of that report?

Hon. John N. Turner (Minister of Justice): I have been in communication with all provincial Attorneys General and expect to make a report to my colleagues within the next few days.

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EXTERNAL AFFAIRS

INDIA-PAKISTAN WAR—ARRANGEMENTS FOR LANDING OF CANADIAN ARMED FORCES PLANE AT DACCA—COMPLAINT AGAINST FIRING

Hon. D. S. Harkness (Calgary Centre): I have a question for the Secretary of State for External Affairs. Have arrangements been made with India and Pakistan for the unimpeded landing at Dacca of the Canadian defence forces plane which has made two unsuccessful efforts to land there, and has the government lodged a complaint with India over the anti-aircraft fire brought to bear on this plane by an aircraft carrier and two destroyers in the Bay of Bengal?

Hon. Mitchell Sharp (Secretary of State for External Affairs): In reply to the first question, we have a Hercules and the Royal Air force has two Hercules waiting in Bangkok to fly into Dacca as soon as we can get agreement on a ceasefire. That we have not yet obtained.

As to the second question, it is very difficult for us to lay a complaint because the facts are not altogether clear.

Mr. Harkness: I wonder if the minister could explain why the facts are not clear? I think he is aware that the Pakistanis do not possess an aircraft carrier but the Indians do and it was from a ship of this kind that the firing came.

Mr. Sharp: There are several things that are not clear about the incident. It is not at all clear that there was firing on our Hercules, but in any event—

An hon. Member: The pilot would know.

Mr. Sharp: —there was a clear indication that we should not land, and we did not. I do not think much would be gained by putting in a protest at present. What we would like to do is to get the plane on the ground.

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CANADA DEVELOPMENT CORPORATION

CROWN CORPORATIONS SUBJECT TO NEGOTIATIONS FOR TAKEOVER

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I should like to direct a question to the Minister of Finance. The chairman of the Canada Development Corporation, Mr. Anthony Hampson, said, following a meeting of the directors, that the first activities of the corporation would be to negotiate with the government to take over Crown corporations. Can the minister enumerate to the House which of the Crown corporations are subject to negotiations for takeover by the Canada Development Corporation?

Hon. E. J. Benson (Minister of Finance): It is in the bill.

Mr. Douglas: Is the minister saying that negotiations are now going to go on with respect to all the Crown corporations enumerated in the bill?

Mr. Benson: Yes, the Crown corporations enumerated in the bill.

[*Translation*]

Mr. Speaker: The hon. member for Shefford would perhaps permit me to give the hon. member for Nanaimo-Cowichan-The Islands the opportunity of asking a second supplementary question.

Inquiries of the Ministry

[*English*]

POSSIBLE PARTICIPATION IN MACKENZIE VALLEY PIPELINE CONSTRUCTION—CANADIAN FINANCIAL CONTROL—ROLE OF PANARCTIC OILS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the chairman of the Canada Development Corporation has affirmed the possibility of participating in the construction of Mackenzie Valley oil or gas pipelines to bring Arctic supplies to southern markets. Can the minister assure the House that any financing of oil or gas pipelines from the Arctic to bring supplies to the south will be under majority Canadian control and whether Panarctic Oils, in which the government has a major interest, will be included in such a consortium?

Hon. E. J. Benson (Minister of Finance): This is a very hypothetical question. I do not really think that the chairman of the board of the CDC was setting out anything definite. It is merely a matter of interest to the corporation. This corporation should be interested in projects to develop Canada.

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[*Translation*]

POST OFFICE

POSSIBLE DEBATE ON RADIO BETWEEN MINISTER AND FORMER EMPLOYEES OF G. LAPALME INC.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have a question for the Postmaster General.

Did he recently undertake to hold a public debate at a Montreal radio station with the people in charge of the Lapalme employees in order to discuss their problems?

Hon. Jean-Pierre Côté (Postmaster General): No, Mr. Speaker.

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[*English*]

IMMIGRATION

ALLEGED ILLICIT TRAFFIC IN ALIENS ENTERING UNITED STATES THROUGH CANADA

Mr. G. W. Baldwin (Peace River): I would like to ask the Minister of Manpower and Immigration a question of which the Minister of Labour took notice a few days ago. Is the minister doing anything and, if so, will he make a short statement to the House later about the suggestions and charges that there have been large-scale, illegal movements of aliens from Canada, through Quebec and British Columbia, into the United States in which criminal elements are involved, including the allegation that there is laxity in the immigration laws of Canada which lead to this result?

• (3:00 p.m.)

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I would only say briefly that the Department of Immigration and the authorities in Canada co-operate fully in attempts to detect any such movements. There have been no special circumstances recently to show new or different operations than those which occur from time to time. But our co-operation is extended in the fullest way in every way we can.

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CANADIAN CONSTITUTION

ABILITY OF QUEBEC TO SECEDE FROM CANADA—FEDERAL GOVERNMENT POSITION—DISCUSSION WITH PROVINCES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I would like to ask the Minister of Justice a question in connection with a resolution passed by the Labour Federation of Quebec which apparently accepted the principle that any province can secede of its own volition. What attitude does the government of Canada take on this unconstitutional position?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I treat that question as purely hypothetical.

Mr. Diefenbaker: Mr. Speaker, apparently everything is hypothetical that might embarrass the government. I ask the minister, whether he has been in touch with the provinces in connection with whether or not it would be constitutional for any province in this country to secede of its own volition? Has there been any correspondence or discussion with the provinces in that connection?

Mr. Turner (Ottawa-Carleton): No, sir.

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FINANCE

SPECIAL DEVELOPMENT LOAN PROGRAM—CO-OPERATION OF ONTARIO TO EXPEDITE MUNICIPAL APPLICATIONS

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the fact that many municipalities in Ontario have been in a position for some time now to make application—

An hon. Member: The minister isn't here.

Mr. Cafik: Mr. Speaker, may I redirect my question to the very capable Parliamentary Secretary to the Minister of Finance. In view of the fact that many municipalities in Ontario have been in a position for some time now to make application for loans under the $160 million special development loan program, and in view of the fact that none of these applications can be processed here in Ottawa until the Ontario government makes up its mind as to how it will allocate its $27.7 million share of that fund, would the parliamentary secretary ask the minister if he would approach the Ontario government for an early decision so that these municipalities could be helped by this federal program?

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Cumberland-Colchester North.

Mr. Cafik: On a supplementary—

Mr. Speaker: Order, please. The Chair has recognized the hon. member was not asking a question but making a suggestion and he has to assume that somebody has noted it.

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REGIONAL ECONOMIC EXPANSION

AGREEMENT WITH MARITIME PROVINCES ON CONTINUED OPERATION OF DEPARTMENTAL ENGINEERING SERVICES

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. Is the minister in a position to indicate if an agreement has been reached between his department and the three maritime provinces with regard to the continued operation of the engineering services of his department that are located in Amherst?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we have had discussions with the council of maritime Prime Ministers. I think that this matter has now to be approved by the cabinet and that it will be done very shortly.

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UNITED NATIONS

CONSIDERATION OF INDIA-PAKISTAN WAR BY GENERAL ASSEMBLY—CANADIAN ROLE

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Now that consideration of the India-Pakistan warfare has been transferred from the Security Council to the General Assembly, can he advise what role Canada contemplates as a member of the latter body as a consequence of yesterday's important move?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, during the discussions and the lobbying that took place in the General Assembly, Canada was not altogether satisfied with the nature of the resolution that was ultimately put forward although we did support it. We are now trying to get some action in addition to what has already been taken that would be of a more realistic nature.

Mr. Macquarrie: Will Canada take leadership in proposing yet another resolution on this matter to the General Assembly?

Mr. Sharp: Mr. Speaker, if necessary we would. What we are trying to bring into discussion is a procedure to attempt to bring about a settlement and not simply a resolution condemning the participants.

INDIA-PAKISTAN WAR—EVACUATION OF CANADIANS FROM WEST PAKISTAN

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs with respect to the evacuation of Canadians from West Pakistan. Would the minister state whether the flight from West Pakistan is now under way to evacuate Canadians in Karachi, Lahore, and Islamabad?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have a plane close at hand ready to fly into Karachi and probably into Islamabad. Unfortunately, we have not been able to obtain agreement to a ceasefire from the Indian government. The situation is very serious and I have sent a personal message to the Foreign Minister of India urging him to give clearance to the flight as soon as possible.

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POLLUTION

DUMPING OF EFFLUENT BY ATLANTIC RICHFIELD OIL INTO WATERS ADJACENT TO CHERRY POINT, WASHINGTON—CANADIAN REPRESENTATIONS

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I wish to direct a question to the Minister of the Environment. It is supplementary to one asked by my colleague, the hon. member for Skeena, some days ago which the Secretary of State for External Affairs took as notice. It has to do with the reported large discharges of refinery waste by the Atlantic Richfield refinery into the waters at Cherry Point, which are adjacent to the waters of British Columbia in that area. Is the minister looking into the situation to safeguard our area from this threat of pollution?

Hon. Jack Davis (Minister of the Environment): The answer is yes, Mr. Speaker. We have been in touch with the United States environmental protection agency and we are assured that the standards which will be in effect in the United States will be similar to the high standards which are in effect in Canada.

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[*Translation*]

AGRICULTURE

PROGRAM TO ASSIST SMALL FARMERS—GOVERNMENT POLICY

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Minister of Agriculture.

As a small farm development program has been announced, can the minister tell if he has decided to change his agricultural assistance policy? Can it be concluded that the government will come back to the family farm policy? It can be said that really a great many small—

Mr. Speaker: Order. The hon. member cannot make a speech. He has asked a question and perhaps he could allow the minister to answer it briefly.

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the announcement that I made the day before yesterday

respecting additional assistance to small family-type farms is another example of the concern which this government has always expressed for this kind of operation.

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GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENTS—POSSIBLE ADDITIONAL MEASURES TO TRACE SOURCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. On Monday the Acting Prime Minister reported he was unable to state that there had been any progress or any results with regard to the investigation being conducted into the leaks of confidential cabinet documents several weeks ago and reported that the inquiries were in the hands of the departments. In view of the length of these examinations and the lack of results reported by the Acting Prime Minister, is it the intention of the Prime Minister to leave the investigation in the hands of the departments, or does he intend to take any additional measures with a view to tracing these leaks?

• (3:10 p.m.)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I repeat what the Acting Prime Minister said the other day. We are following a very long established practice of previous governments in making the responsibility for any such leaks lie with the departments themselves. That is why after the incidents referred to I asked each minister to start an investigation into his own department. Where they need assistance or help they get it from the advisers in the Privy Council office or from the RCMP, but the investigation is still going on at the departmental level.

Mr. Erik Nielsen (Yukon): A supplementary question. Since it is obviously not the intention to refer the matter to the skilled investigators in the RCMP, and it has not been referred to the special security police of the Solicitor General, what was the purpose of setting up the new security force under the Solicitor General?

Mr. Trudeau: Mr. Speaker, the hon. member should know that there are problems of security in the country outside of the civil service.

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UNEMPLOYMENT INSURANCE

ACTION TO EXPEDITE PROCESSING OF CLAIMS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Minister of Labour. It is a matter of concern to every member of the House. I ask the question because of the unprecedented large number of unprocessed and unpaid claims to entitlement for unemployment insurance that are presently directed to my attention. Can the minister not do something to increase efficiency in expediting claims, since many of these people are forced to resort to municipal relief because of their inability to obtain satisfactory payment of unemployment insurance benefits to which they are entitled?

[Mr. Olson.]

Some hon. Members: Hear, hear!

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I answer this question periodically. I can only say that there are 8,000 public servants working for the Unemployment Insurance Commission. I think the constant attacks on these 8,000 public servants are very unfair. First of all—

An hon. Member: There is your problem.

An hon. Member: You have too many.

Mr. Speaker: Order, please. The hon. member has a right to ask a supplementary, but there are only two minutes left before the end of the question period and I am trying as hard as I can to give an opportunity to as many members as possible. The minister's reply should be as brief as possible. If supplementaries are required they might be asked at the time of adjournment or perhaps tomorrow.

Mr. Alkenbrack: On a question of privilege, Mr. Speaker, the minister says my attack on so many thousands of civil servants is unfair. I am not making any unfair attack. I know that these public servants are working to the best of their ability, but because of the large number of cases that efficiency is not good enough.

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REGIONAL ECONOMIC EXPANSION

SUGGESTED RESIGNATION OF MINISTER

Mr. James A. McGrath (St. John's East): I should like to direct a question to the Minister of Regional Economic Expansion. In face of escalating unemployment in the Atlantic region especially, with the figures for November showing a substantial increase in the four Atlantic provinces, and in view of the failure of the minister's policies to seriously affect the situation—

Mr. Speaker: Order, please. Would the hon. member kindly ask the question? This is debate.

Mr. McGrath: I was going to ask the minister if he would resign so that we could get on with new policies.

Mr. Baldwin: And take some of his friends with him.

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FINANCE

SUGGESTED PAYMENT OF INTEREST ON GOVERNMENT DEPOSIT WITH CHARTERED BANKS FOR CASHING OF CHEQUES

Mr. A. D. Hales (Wellington): I have a question for the Minister of Finance. In view of the fact that the Canadian government must leave on deposit with the chartered banks of Canada $100 million interest free in return for cashing government cheques, and as it is over a year since the chartered banks agreed to cash all cheques, personal

and government, free of charge, I ask the minister if he will take steps to collect interest on this $100 million left on deposit, or will he have the Bank Act amended so it will not be necessary for the Canadian government to leave $100 million on deposit interest free?

Some hon. Members: Hear, hear!

Hon. E. J. Benson (Minister of Finance): I think this is an excellent suggestion, Mr. Speaker, and I shall look into it.

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FINANCE

SPECIAL DEVELOPMENT LOAN PROGRAM—PROVISION OF ADDITIONAL FUNDS TO ENABLE VANCOUVER AND VICTORIA TO PARTICIPATE

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question for the Minister of Manpower and Immigration. Has the minister received representations from the mayor of Vancouver to the effect that this area of British Columbia, which includes 35 to 40 per cent of the total provincial unemployment, has been excluded from the federal-provincial employment loans program and, if so, what action does he contemplate to remedy the situation?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I have received representations from the mayor, Mr. Speaker. What happened was that the amount available for the province of British Columbia had been allocated by the provincial co-ordinator and therefore approved prior to the application from Vancouver having been considered.

Mrs. MacInnis: In view of the fact that two weeks ago the province of British Columbia had already used up the entire $21 million allocated to it under the program, neither Vancouver nor Victoria having been included at that time, will the minister consider making additional funds available to the province?

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POST OFFICE

ANNOUNCEMENT OF SALARY INCREASE FOR POSTMASTERS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Postmaster General. Is the minister in a position today to reply to a previous question regarding the long delayed increase for postmasters staff of post offices across the country?

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, on November 10 a collective agreement was signed between the Public Service Alliance of Canada and the Treasury Board for the program administration group, the group to which managerially excluded postmasters' pay rates are related. The collective agreement, which is retroactive to October 1, 1970, calls for increase in rates of pay up to 17.5 per cent for levels one and two and 16.5 per cent for levels three to six over the three-year period ending September 27, 1973. In addition, the Treasury Board has recently revised its policy to allow for additional payment to managerially excluded employees for overtime, call-back and standby at the discretion of the deputy minister. Previously, no compensation was allowed in these cases.

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AGRICULTURE

SMALL FARM DEVELOPMENT PROGRAM—ADMINISTRATIVE ARRANGEMENTS

Mr. R. E. McKinley (Huron): I have a question for the Minister of Agriculture supplementary to one asked earlier regarding the small farm development program announced on Monday. As this program appears to be simply an expansion of the ARDA concept, will it be carried out under the present ARDA agreement and administered by the present ARDA staff of the provinces?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, it will not be administered by those staffs. It will be administered mostly by the Farm Credit Corporation and, hopefully, with some joint arrangements with the provinces for the extension and counselling services they already have in the field.

Mr. McKinley: Before this program is finalized would the government agree to have it brought before the Standing Committee on Agriculture so that questions can be asked and ideas contributed to the program, or will legislation be involved?

Mr. Olson: Mr. Speaker, in the next session there may be a bill. But this House has already given approval in the amount of $10 million in the last fiscal year and $16 million in this fiscal year for this type of program.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

POLICY RESPECTING GRANTS—QUEBEC CRITICISMS

Mr. René Matte (Champlain): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Since the minister and the authorities or the Premier of Quebec have differences of opinion about the grants of his department, could he tell us whether he has had talks with the Quebec government concerning the grant policy of his department?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Yes, Mr. Speaker. The Prime Minister, the minister in charge of economic development and the Minister of Trade and Commerce are all quite satisfied with the way the department has been dealing with the province of Quebec.

Mr. Speaker: Order. The oral question period has now expired.

[*English*]

Perhaps we might allow two or three questions, without supplementaries, in the next few minutes.

Inquiries of the Ministry

EXTERNAL AFFAIRS

MEETING BETWEEN PRIME MINISTER AND PRESIDENT NIXON—DISCUSSION OF INTERNATIONAL GRAINS ARRANGEMENT AND FLOOR PRICE ON WHEAT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question for the right hon. Prime Minister, Mr. Speaker. Last Wednesday I asked the right hon. gentleman if he would place high on his agenda for discussions with President Nixon this week the suggestion that the President should co-operate with Canadians in reactivating the International Grains Arrangement and, more particularly, placing a substantial floor price under wheat. Can the Prime Minister advise the House if he acted on this suggestion and, if so, what was the President's response?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize to the hon. member but I did not understand his question. I will read it in *Hansard*.

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POST OFFICE

SUBJECTS DISCUSSED AT MEETINGS BETWEEN MINISTER AND DIRECTORS OF CERTAIN PHILATELIC SOCIETIES

Mr. Charles Turner (London East): I have a question for the Postmaster General, Mr. Speaker. I understand that today the minister is having deliberations with the directors of the Royal Philatelic Society of Canada and the board of governors of the British North America Philatelic Society. Is the minister in a position to take this House into his confidence and reveal the subject of these deliberations and what progress is being made?

• (3:20 p.m.)

Hon. Jean-Pierre Côté (Postmaster General): Yes, Mr. Speaker. The distinguished members and officers of the Royal Philatelic Society of Canada and the board of governors of the British North America Philatelic Society have graciously agreed to meet, at my invitation, to offer suggestions and advice on a national stamp collection and a postal museum. Our deliberations have been very useful and rewarding. Many excellent ideas have been advanced relative to establishing a national stamp collection and a postal museum. I was honoured to welcome our guests to Ottawa this morning, and I am pleased to note their presence in Mr. Speaker's gallery this afternoon.

Some hon. Members: Hear, hear!

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SPORTS

PARTICIPATION OF CANADIAN HOCKEY TEAM IN 1972 OLYMPIC GAMES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. Since the minister recently said that the 1976 Olympics will be the greatest event ever to occur in the history of Canadian sports, and since the 1972 Olympics are to be a great event for Canadian athletes, great enough that we should be represented in our national game, can the minister advise the House why he advised Hockey Canada and the CAHA not to make representations today to the Olympics committee so that Canada could be represented in the 1972 Olympics?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I did not advise Hockey Canada. Hockey Canada is a corporation composed of representatives of all the interests in hockey, including the fitness and amateur sports directorate of my department. Collectively they advised me, and I must say I agree with them, not to field a hockey team at the winter Olympics. We will maintain our position internationally and not field a team until such time as we can put our best players on the ice to represent Canada effectively.

Mr. Speaker: Order, please. The hon. member wishes to ask a supplementary. As hon. members know, because I was anxious to recognize a number of hon. members who had been trying to ask questions for a few days I took the liberty, with the consent of the House, of extending the question period. I wonder whether we should not now call orders of the day. Is the hon. member rising on a point of order?

Mr. Paproski: On a point of order, Mr. Speaker, there are players available who could make up a competent and competitive team. Honour and glory as measured by a gold medal may be a remote possibility, but there are Canadians—

Mr. Speaker: Order, please.

Mr. Paproski: Ten o'clock, Mr. Speaker.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed from Tuesday, December 7, consideration in committee of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon amendments to that act—Mr. Benson—Mr. Honey in the chair.

The Chairman: May we have order, please, in the committee. It is very difficult for the Chair to read the order unless hon. members who are to participate in the work of the committee come to order.

On clause 1—section 2: *Tax payable by persons resident in Canada.*

Mr. Stanfield: Mr. Chairman, I propose in a few minutes to move an amendment which would have the effect of dividing the bill for purposes of proclamation, with a veiw to bringing into effect immediately those sections relating to personal income tax which are clearly desirable and not controversial and which are designed to help with regard to assessments and with regard to old people. These are measures which, although not perfect, are rec-

ognized by all members of the House, I think, as representing a very substantial improvement.

Much of the bill is so complex that I doubt if anybody in the country really understands it, although some claim they do. The bill is so complex that small businessmen in particular will need tax experts at their elbows every time they turn around. Although this may be great for the business of tax experts, it will be very rough indeed on the ordinary, small businessman who is struggling to get along and keep his head above water. We have here a bill of 707 pages, with a vast number of amendments. Even those who pretend to understand this bill admit that it is somewhat easier to understand Einstein's theory of relativity.

The other night I heard the Minister of Finance talking about this bill. I heard him describe it as the envy of the world—the envy of the world, Mr. Chairman! The thought immediately occurred to me, "Would it not be a great thing to export?"

Some hon. Members: Hear, hear!

Mr. Stanfield: As I listened to the Minister of Finance extolling the virtues of this bill, the virtues of this 707-page piece of legislation which is the envy of the world, I wondered how big would be the line-up outside the government publisher's office and how big would be the demand for this bill that we are told is the envy of the world. Of course, the truth is that it is a complicated absurdity. The provinces have asked for a delay in the implementation of substantial parts of the bill, if not of the whole bill. How can the provinces be expected to produce immediately duplicates of this horror of complexity?

The Chairman: Order, please. I regret to interrupt the Leader of the Opposition. As I reminded hon. members earlier, it is difficult to conduct the proceedings of the committee if hon. members insist on carrying on private conversations. I sincerely ask hon. members who want to engage in conversation to go into the lobby or behind the curtains so that we can proceed with the committee's work. I would appreciate then co-operation in this respect.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Chairman, I was explaining briefly the difficulties of the provinces in duplicating very quickly on their statute books a copy of this horror of complexity. We must also consider the confusion on the part of the provinces with regard to succession duties. If the government jams the bill through, if it insists on proclaiming the whole bill immediately, what will be the virtual and immediate result?

An hon. Member: Chaos.

Mr. Stanfield: We shall have a bill that not only members of this House but practically everybody in the country cannot understand. We shall have a bill which the provinces have asked to be deferred. They want its implementation deferred. A bill will have been passed which includes a provision for imposing a capital gains tax. I repeat, I am not opposed in principle to a reasonable tax on capital gains, although in this case I am certainly not satisfied with the provisions in the bill relating to capital gains taxation applying to farmers. I think almost everybody in this House agrees that if there is to be a reasonable and equitable tax on capital gains, there must be associated with that a significant adjustment in connection with estate taxes and succession duties.

• (3:30 p.m.)

As far as this bill is concerned, the government is simply abandoning the estate tax field. It is suggested that the abandonment of the estate tax field by the federal government solves the whole problem, but it does not. According to my understanding, there has been absolutely no accord reached with the provinces as to what they will do in the field of succession duties. It is all very well for the Minister of Finance and the government to take the attitude that the whole problem will be solved by simply withdrawing from the estate tax field. However, the fact remains that the citizen is the same citizen whether he is caught by a federal estate tax or a provincial succession duty tax.

We are being asked to pass this bill. In fact, it is being forced through the House. The bill involves taxation of capital gains with no assurance as to what the end result will be. With the knowledge we now have, we are likely to end up in a tax jungle with this House being forced to adopt a tax on capital gains, and provincial succession duties piled upon us in a manner which we have no way of knowing will be equitable or in line with the views of a committee of the House of Commons when it was considering this subject. The sensible course would be to defer the capital gains until arrangements have been worked out with the provinces.

Some hon. Members: Hear, hear!

Mr. Stanfield: In the meantime we should retain the federal estate tax until these arrangements have been made. That is one problem, the relationship with the provinces and the matter of provincial taxation. The second question is, how relevant is this bill to Canada's economic conditions as they exist in the context of the situation that developed over the summer?

Some hon. Members: Hear, hear!

Mr. Stanfield: If it was relevant last spring—and this is by no means obvious—it is by no means clear that it is relevant now in the context in which this country finds itself as a result of President Nixon's initiative. We have the DISC proposal in Washington, although the Prime Minister did not feel it necessary to raise this matter with the President. This can have far reaching effects upon Canada. In addition, we have recently been reminded by the Economic Council of Canada of the challenge facing the government and this country in connection with additional jobs and further employment. There is not anything at all cheerful in the recent reports on unemployment published by Statistics Canada.

The need for an industrial development strategy and an economic development strategy in this country has been talked about for years. It was even assumed by the authors of the leaked, so-called Gray report that the government would produce a strategy for economic development and the screening process would be related to implementing that economic strategy. We are being asked to

adopt this tremendous, complicated morass of legislation with no idea of what the strategy for economic development in this country is going to be.

With regard to the loss of revenue involved, I would hazard a guess that if the estate tax was left in operation it would produce more revenue for the government in 1972 than the capital gains tax proposed in the bill. I agree that what I am proposing will involve some uncertainty in the business world and among taxpayers as to what will eventually be worked out and adopted as a long-range tax plan for this country. However, there is uncertainty anyway. The passage of the bill at this time will not remove the uncertainty that exists. There will be uncertainty, in any event, for many months as far as taxpayers are concerned with regard to getting interpretation on this very complex bill and officials of the Department of National Revenue trying to figure out what it means. There will be these uncertainties plus rulings, and the action taken by the provinces in the field of succession duties. There is a possibility of confusion as a result of the action the provinces may take in the field of personal and corporate income taxes. Passing this bill now will not eliminate these uncertainties.

It will be far better to delay the proclamation of the complex and involved parts of the bill for a while, than to stick the Canadian people and the Canadian economy with these 707 pages of legislation and all the amendments associated with it. The amendment I will propose will provide desirable, uncontroversial and clearly understood parts of this bill relating to personal income taxes coming into effect promptly, with the rest of the bill not being proclaimed until there has been further discussion and an affirmative resolution adopted by this House. I suggest that is the most sensible course to follow.

The reason for the government using closure to jam the bill through at this time is not to aid the Canadian taxpayer and to invigorate the Canadian economy; it is simply the result of stubbornness and a desire to save face. If the government really wants to do something for the economy it should accept the proposition I am putting forward, give priority to the tax reductions that are proposed and inform us of its policies so that we can deal with the serious trade situation that could develop into a crisis if we are not active and careful.

Let the government give us its trade policies. Let it give us its measures to offset the effect of the proposed DISC program in the United States. The government should inform us of its policies for restoring confidence and getting industrial development moving forward at a satisfactory rate, rather than giving us the dismal figures as to expectations as a result of surveys made by the Department of Industry, Trade and Commerce. We do not need bad, ill-conceived bills such as this that do not offer anything to the Canadian people except confusion piled on confusion.

Nothing can undo the mistakes which the government has already made. You cannot recall time. But perhaps my appeal may help this government to at least partially regain its senses. If I can do that, the efforts of myself and my colleagues will not be completely in vain. For the sake of Canada, I hope this is so. I ask the government to accept the amendment which I now propose. I move, seconded by the hon. member for Peace River:

[Mr. Stanfield.]

• (3:40 p.m.)

That clause 1 of the bill be amended by deleting lines 1 to 3 on page 1 and substituting therefor the following:

"1. Parts I to IIIA and parts V to VII of the Income Tax Act are repealed and the following substituted therefor so as to apply, subject to the said act as hereby amended and to part III of this act, to the 1972 and subsequent taxation years but the said act as hereby amended, excepting thereout those portions thereof containing an arrangement, revision and consolidation of the provisions of the said act as the said act is amended by the application *mutatis mutandis* of the provisions of sections 6 and 8, subsection 12 of section 20, and sections 62, 63, 109, 110 and 117 of the said act as hereby amended, shall not come into force and have effect as law until a day to be fixed by a proclamation that shall be subject to affirmative resolution of the House of Commons:"

The Chairman: Order. I have very serious reservations as to whether I can accept the amendment which the Leader of the Opposition has proposed. I would be pleased to hear from hon. members who would like to assist the Chair on the procedural aspect. It does seem to me at this stage of the proceedings—I make these preliminary observations without in any way indicating to hon. members that I have any firm opinion—that the proposed amendment might involve something more than the committee of the whole has power to do. This appears to be a major amendment which might very well be opposed to the principle of the bill which was agreed to on second reading. However, I make this observation without being committed to a firm view and I invite the assistance of hon. members.

Mr. Baldwin: We agree that a major step is involved in the amendment which my leader has proposed. But let me put it to Your Honour in this way: there is no other means, no other place available to us. Most bills contain a provision naming the date at which the bill is to come into force. The Interpretation Act provides that if there is no such date mentioned in the bill, the measure shall become law upon receiving royal assent. In clause 9 of the bill before us we read that the act shall become effective in certain ways and for certain purposes as of January 1, 1972.

Surely, it is only in committee of the whole that it is possible to deal with a specific clause. Your Honour would agree, I am confident, that it would be absolutely impossible for us to move an amendment of this kind on third reading or to have moved it on second reading. It is true we might on third reading move that the bill be referred back to the committee so the committee might consider certain matters and recommend to the House that parts of the bill be not implemented until a certain time. But if we cannot do so now, when should such an amendment be moved?

It might be argued that we should wait until this debate is finished. But having regard to the drastic restrictions which have been placed on these discussions—I could use other words but they would not be parliamentary—we shall probably never get to a serious consideration of the balance of the legislation. There are probably 200 sections of this bill which we shall never be able to debate before the guillotine falls. This being the case, my hon. friend has to make a move at this point or not at all.

It should not come as any surprise, because notice was given by way of a speech which my hon. friend made

some time ago and in which he declared his intention of moving an amendment of this sort. I believe he said at that time that he would move it with respect to clause 9. Obviously, our prospects of getting to clause 9 are somewhat remote, so if the amendment is to be moved, it must be moved now. In these circumstances, the amendment can only be directed to one clause of the bill, and we are now on clause 1. I submit that an amendment can be moved which has the effect of providing that certain parts of the bill shall come into force at one time and other parts at another time.

If there is a ruling from the Chair that the amendment is not acceptable, I say with all respect there is no other place where it can effectively be moved during the time available for the consideration of this bill. We take this matter very seriously. This is not a spontaneous motion but one with regard to which notice has been given in statements made both inside and outside the House. This is our view of what constitutes a reasonable disposition of the difficulties which confront this country and the House, and only in this way can we place it before the committee.

Mr. Lambert (Edmonton West): I would refer Your Honour to the wording of clause 1. These are the operative words bringing about the repeal of the totality of the present Income Tax Act. The 500 or more pages which follow are merely a substitution therefor. If the present act is to be repealed, it must be done at this point. It cannot be done at any other point. The motion put forward by the Leader of the Opposition seeks to repeal certain parts of the act and substitute certain other provisions which include the tax cuts he has enumerated. My hon. friend proposes that the rest can only be proclaimed at a date to be fixed by proclamation, which would be subject to further discussion in the House.

The reasons in support of such a course have been outlined and I would suggest that this is the appropriate place at which to move such a motion, unless Your Honour holds that third reading is the only stage at which this can be done and that there must be a referral back to this committee with instructions to do precisely what Your Honour would forbid the committee to do now.

One has to realize that this is the point of departure. This is the time at which such an amendment must be put. If we are to be told that it must be done on third reading, that there must be a motion to refer back to the committee, should such a motion carry we would be back discussing the same kind of motion as we have just heard this afternoon.

• (3:50 p.m.)

Mr. Baldwin: With the same objection.

Mr. Lambert (Edmonton West): Yes, with the same objection. We would be back at third reading, and what sort of merry-go-round would that be? I put it to you, Mr. Chairman, that now is the time to put such an amendment, right on clause 1.

The Chairman: If there are no other hon. members who want to assist the Chair on the procedural aspect, since the Leader of the Opposition, the hon. member for Peace River, the hon. member for Edmonton West and others have indicated that they view this amendment very seriously I must say, quite frankly, that I should like a little time to consider it. I would not be fair to the Leader of the Opposition or to other hon. members if I tried to give a decision before satisfying myself about it. If I have the permission of the committee, I should like to take the matter under advisement. I will, of course, make a ruling as quickly as possible.

Mr. Baldwin: Is Your Honour suggesting that we debate the amendment while it is being taken under advisement, or is Your Honour suggesting that we adjourn for that period? The amendment is a very general one in the sense that it does not inhibit general debate. My own view, which I am sure is shared by the mover and by other members of our party, is that we should continue to debate the amendment as if it were in order and had been properly put. Your Honour could then consider your position on the amendment while debate continued.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, may I first take exception to the suggestion that we adjourn. After all, within two hours from now the entire discussion in committee of the whole will end. That is short enough time, so let us not shorten it any further.

The other comment I wish to make arises out of the fact that we are under an order to end this stage of the debate at 5:45 p.m. Therefore, it seems to me that to have discussion now on a motion which has not yet been accepted, a discussion that might last the full two hours, is unfair to some of us and to others who have proposals they would like to put before the committee. It is very clear that we cannot have all the discussion that we might want before the order becomes operative at 5:45 p.m.; but surely, just as the Leader of the Opposition has had an opportunity to put his amendment, I submit other hon. members should have a similar opportunity to put other amendments.

I think Your Honour should consider that you have called clause 1 and let such members as get the floor make any amendment they may wish to make. Then at some time before a quarter to six Your Honour can rule on the amendment now before the committee, and then at a quarter to six we can vote on all the amendments that are in order. I support the idea of Your Honour having time to consider this amendment, but I think that the rest of us should also have an opportunity to put amendments before the guillotine falls.

Mr. Baldwin: Mr. Chairman, I appreciate that there may be some very fine and meaningful amendments coming from hon. friends to my left, and we are always interested in such amendments. But we think that the amendment that has been moved is a major one, and while I do not want to inhibit my hon. friends I think we should have an opportunity to debate it. It may well be that we are persuasive enough to have the government first bring the Minister of Finance into the committee and then, having brought him in where he can listen to our arguments, be able to convince him that what we have suggested is reasonable. Both of these would be major accomplishments and I do not know whether either of them will take place; but I would not like to see the motion left so there is no opportunity to debate it.

In my view we should debate the amendment now. I do not think that the matter will take very long. It is a simple

amendment and a decision can be made on it if Your Honour holds that it is in order. I think our debate on the amendment should commence now.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, my hon. friend from Peace River was quite correct in assuming that in part I was speaking for myself and my colleagues in suggesting that we have other amendments to move. But I also know that my hon. friends in the Social Credit party have been waiting for days on end for a chance to move an amendment to section 8, which is one of the sections within clause 1. I do not think it would be fair if the remaining 105 minutes were used to debate one subject only when there are other subjects that hon. members would like to put before the committee in time for them to be put to a vote.

The Leader of the Opposition has achieved his main purpose: he has presented this amendment. The next hurdle is to get Your Honour to accept it. Then the final hurdle, of course, is to get it voted on at a quarter to six. However, surely other members should have the same opportunity to move amendments.

[*Translation*]

Mr. Fortin: Mr. Chairman, I fear that we are treading on very dangerous ground. There is no question about the importance of the motion moved by the spokesman for the Progressive Conservative party, but if the Chair does not take a decision very soon and if we were to consider the motion moved by the hon. member for Peace River (Mr. Baldwin) to the effect that his motion be discussed even it has been ruled out of order, this would mean that the House assumes that we believe the amendment is valid. Mr. Chairman, if this motion were to be considered acceptable after one or two hours of discussion, this would mean that all other members would have lost this time during which they could have moved other amendments.

And, as the previous speaker said, we do hope, by 5:45, to be able to submit an amendment allowing workers to deduct the cost of their equipment and other expenses for income tax purposes. We consider such an amendment to be extremely important and I feel that our arguments in this regard would hold water just as well as those of the Progressive Conservatives in favour of their amendment.

That, Mr. Chairman, is why we hope you will render a ruling as early as possible, to avoid our getting onto a slippery slope which would make us waste time.

[*English*]

Mr. Baldwin: Mr. Chairman, I have no objection to amendments being put, but since this party, as it usually does, has taken the proper initiative in moving the amendment I feel we should not be deprived of an opportunity of debating it. It might be that other hon. members will have an opportunity to put their amendments, and we are not trying to inhibit them. But we do feel that there should be an opportunity for us, having moved the amendment, to debate it. I do not know what sort of time Your Honour has in mind before arriving at a decision, but I should like to think that in no later than three-quarters of an hour we should have an opportunity to continue the debate.

In the meantime, other hon. members might speak to any amendments they have, allowing a 20-minute limit in each case. Then possibly we can come back and debate the amendment that has been put. I understand that the other opposition parties would like to have on the record amendments that will not be chopped off at a quarter to six, and I have no objection to that at all.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I think we have reached a happy resolution of what might have been an impasse. If Your Honour assumes that you have called clause 1 of the bill, then your next course is to see speakers in whatever order you choose to call them. If, when members of the Official Opposition are called, they wish to speak to their amendments, they should be allowed to do so. If I wish to speak to some other part of clause 1 and to move an amendment, and if my hon. friend for Lotbinière or one of his colleagues wishes to do the same, then I think that should be allowed. It seems to me that the suggestion that has come out of the discussion does resolve the situation.

Mr. Baldwin: And without any help from the government.

The Chairman: I think hon. members have resolved the situation and, without binding my colleague who may take the chair later, I do not see any difficulty. I think we should proceed.

• (4:00 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I am now asking for the floor to take part in the debate, not to continue the discussion on the procedural point.

As hon. members are aware, we are getting to the end of committee of the whole discussion on Bill C-259. I think it is unfortunate that there will be so many sections within clause 1 and so many other clauses of the bill which will not be discussed at all before we are called upon to vote on them.

In addition to all the remaining sections within clause 1 and all the other clauses—about 72 of them, covering 100 pages—there are many amendments which have been moved by the Minister of National Revenue and other ministers, so that we really have a tremendous package to deal with at 5.45. It will be interesting to watch the voting on those questions because there will not even be an opportunity for a question to be asked concerning what the various amendments might mean. This is very unfortunate. This, of course, is one of the reasons we opposed the imposition of closure at this stage. However, I must not use all the time there is in complaining too much about that matter when there are a few things I would particularly like to say.

Clause 1 of the bill which we are now discussing includes, in lines 4, 5, 6, and 7, a pretty general statement. It provides:

> An income tax shall be paid as hereinafter required upon the taxable income for each taxation year of every person resident in Canada at any time in the year.

So with those words as an introduction to this 596-page clause it would look as though one could talk about anything that is "hereinafter required." One of the requirements stipulated is the rate of taxation. That is found in some of the other sections in clause 1. We have had discussion about those rates and a vote or two on them. I regret

there does not seem to be an opportunity to have a discussion on a related matter, namely, clause 3 of the bill. Clause 3 will not be reached because it is beyond page 596. It has to do with the proposal to abolish the collection of special taxes for old age security either from individuals or from corporations.

I wish we had had a chance to get to that clause so that we could discuss this matter. I mention it now because it seems to me it is related to the general rates of tax that will be imposed upon individuals and corporations. In other words, when that clause comes into effect there will no longer be a special tax, either on individuals or corporations, for old age security. Rather, the money for old age security will be obtained from general taxation. That in itself is a good move, which we welcome. We have long contended that a flat tax with a ceiling on it was regressive in nature, and we believe it is far better that the money to be put into the old age security fund should come out of the general sources of taxation. We believe this to be a more progressive basis than the other tax.

However, there is one point which concerns me. This is the reason I wish we had reached the clause, so that we could have had a statement from the government on it. I hope there will not be a tendency on the part of the government to say that the people of Canada will no longer be paying taxes for their old age security, because the language of clause 3 is clear, that there will not be a direct, earmarked tax but that the Minister of National Revenue will be asked to estimate each year how much would have been collected if that tax were in effect and recommend that that amount be taken out of general taxation and put into the old age security fund.

I should like to make the assertion that even though the imposition of taxes on individuals and corporations for old age security will not continue, the people of Canada both as individuals and corporations will still be paying taxes that go into the old age security fund and, among other things, that establishes their right to benefits under the Old Age Security Act. I note that although the government is prepared to cancel the direct income tax on individuals and corporations for old age security, it has kept in existence the most regressive tax of all, namely, the 3 per cent sales tax for old age security purposes.

Now, sir, this is ground for discussion. If the minister or someone should get the floor this afternoon and want to comment, I would be glad to listen to any such comment. As I say, I welcome the change but I do not want anyone to come around in a year or two and say that the people of Canada are no longer paying taxes for their old age pensions. They will be paying them all right, but in a different way and, indeed, perhaps in a more progressive way.

Among the many things we would like to have done something about is the question of the capital gains tax. The Leader of the Opposition this afternoon indicated that although he favoured the principle of a capital gains tax, he does not like the form in which it is set out in this bill. May I say that our party's position, which has been made clear a number of times, is that the capital gains tax principle does not go far enough.

We agree with the Leader of the Opposition that special consideration should be given to the application of the capital gains tax to farmers, and my colleague, the hon. member for Regina East, has presented an amendment that would deal with that aspect of the matter if it were passed by the committee at 5.45. But apart from that, it is our view that it is grossly unfair and it is a form of discrimination and inequality to say to the industrial worker who struggles in a factory, or to the professional worker who works at his calling, that all the money he earns is taxable income, but to say to persons who enjoy capital gains that only half of it is income for taxation purposes. We think that anomaly should be corrected.

We are all for the kind of protection farmers have sought and the other improvements which perhaps should be made, but so far as the basic principle is concerned we feel the entire amount of a capital gain, wherever a capital gain is taxable, should be considered as the taxpayer's capital gain. In a moment I should like to present an amendment to that effect. But just as the Minister of National Revenue has presented not one amendment at a time but 50 and 95, and other ministers have done the same, I have two amendments and perhaps I might present both now—I was going to say, in order to avoid the necessity of my getting up again but perhaps I should do it now in case I do not get both amendments in before a quarter to six.

My second amendment has to do with the special exemptions given to periodicals like *Time* magazine and *Reader's Digest*. There is a section in this bill which grants them concessions, and we think it ought to be deleted. There is no time for the kind of argument that we would like to develop, and it would not be fair to my friends to the left and to the rest to take more time. Therefore, may I present these two amendments so that, like the amendment of the Leader of the Opposition, they may be put to the committee and voted upon at 5.45 p.m. My first amendment reads:

• (4:10 p.m.)

That Bill C-259 be amended at page 97 by deleting the phrase "½ of" from line 4 and also by deleting the phrase "½ of" from line 9.

That would be an amendment to section 38 of clause 1. Section 38 is the one which says that the tax on a capital gain is one half of the capital gain. We would like to delete the phrase "½ of" so that when a person has a taxable gain as defined elsewhere in the act, the whole amount is taxable income just as is the whole amount in the case of an industrial or professional worker. The other amendment that I wish to present is:

That section 19 as set forth in clause 1 of the said bill be amended by striking out subsection (2) on pages 58 and 59.

That is the part of the bill that would provide certain exemptions for magazines such as *Time* and *Reader's Digest*. This is an amendment to section 19 of clause 1. I place these two amendments before you, Mr. Chairman, hoping that these two issues as well as others that are outstanding can be voted upon when we reach that point at 5.45 p.m.

Mr. Benson: Mr. Chairman, I would suggest that the Chair might take these two amendments under advisement in order to consider them. I maintain that both amendments are out of order in that both tend to increase taxes.

The Deputy Chairman: While it was the intention of the Chair to suggest to the committee that the two amendments be taken into consideration, I was trying at the same time to locate them. I found one, but as to the other I have only an indication of the pages involved. I think the best procedure would be to take a moment to examine the implications of the amendments that have been put forward by the hon. member for Winnipeg North Centre. I am sure hon. members will wish to co-operate with the Chair in this regard.

[*Translation*]

Mr. Godin: Mr. Chairman, I am pleased to support the proposals made a few weeks ago on section 8 by the hon. members who spoke before me. The publicity surrounding this bill and alleging that we were faced with a tax reform entails a thorough consideration of this section and its effects.

It is obvious that this legislation provides for tax deductions, but it is not certain that these changes are really valid. I, for one, think that the advantages of the legislation are very limited as compared with its disadvantages.

For example, when we see that the legislation in force as well as the bill under consideration recognize the right of contractors, salesmen, lawyers and doctors, to deduct the cost of their machinery, equipment or other expenses incurred in the exercise of their activities, whilst the government proposes to limit the amount deductible by workers to $150 per year or 3 per cent of their income whichever is the lesser, we maintain that there is an anomaly somewhere.

The only obvious conclusion which we can draw is that lumberjacks, mechanics and construction workers, for example, have been discriminated against and, in short, there is a flagrant injustice towards the majority of Canadian workers.

I acknowledge that the amount of $150 would cover part of the expenses incurred by some workers, but these are very few. In fact, it is not an amount which is granted to the workers, since its deduction is allowed. Actually, it represents some $20 to $25 per year.

Mr. Chairman, if this is not a mockery of the worker and his efforts, I wonder how we can describe this attitude. The minister has probably not thought of it, which is normal when one considers how busy he is. It is also possible that the officials who drafted the bill are spoiled kids who have entered the public service because of the protection they enjoyed, guys who think that they know it all and do not realize that other citizens contribute to the progress of this country and to the increase in Canadian production.

I think it is quite possible that those officials who have never seen anything but the streets of Ottawa and the beaches of Florida might have forgotten the working classes. This is why I say that an allowance of $150 per year is not much for the employee of the forest industry who has to drive 40 to 50 miles a day to and from his work. The $150 allowance does not even cover half the cost of registration of the car or small truck he could not do without.

Mr. Chairman, there are also those who have to drive 50 to 100 miles on the weekend and who must pay transportation expenses as well as for the purchase and maintenance of chain saws. Again, it is obvious in this case that the $20 tax deduction is far from the actual amount they will have to pay.

Also the construction workers who on top of their travelling expenses must buy equipment that can cost up to $1,000 in certain cases and that needs to be replaced and repaired.

Everybody knows that the workers have to travel more than they ever did. The jobs are less and less permanent. Sometimes a great number of workers have to travel in order to follow their bosses. Contractors from Trois-Rivières get contracts in Quebec City and bring workers there who must travel every weekend. Contractors from all areas get contracts outside of their territory and if the workers want to keep their jobs they myst follow their boss and often pay the costs.

• (4:20 p.m.)

Mr. Chairman, for a Parliament member earning $26,000 per year, public accounts for the year 1970 show expense accounts of $4,000, $5,000 and even $6,000. A member who lives near Parliament has a smaller account, another who lives farther a bigger one. Everybody agrees with that. I repeat: It is strange indeed that in the case of a worker earning only $6,000 or $7,000 per year, Bill C-259 should provide for a deduction of $150 only, while in the case of a member earning $26,000, the deduction for expenses may amount to $6,000.

Mr. Chairman, this government has been in power for three and a half years and the people have been waiting for three and a half years for the establishment of a just society. I think that certain proposals will have to be taken into consideration if we want to come up with more than $20 a year for the workers' expenses.

As regards mechanics, the implementation of section 8 of Bill C-259 is also discriminatory if we compare it with the method applied for dentists, doctors and all other professionals.

It is ridiculous to offer a $150 deduction per year to mechanics.

We all have friends who are mechanics. Everybody knows that the mechanic who has to buy a complete set of tools must pay $1,400 or $1,500 for it. We also know that some tools must be replaced and in spite of depreciation the value of those tools is always between $1,200 and $1,500.

I am entirely in favour of permitting doctors, lawyers and other professionals to deduct the cost of replacement of their equipment as well as other expenses incurred in the discharge of their duties. However, I am convinced that the same treatment should be granted workers in the fields of forestry, construction and automobile.

The government allows substantial deductions to groups of persons who complete their tax returns according to their conscience. When it comes to taxation, however, some people slip their conscience into their pocket, under their handkerchief.

Mr. Chairman, whenever I consult my lawyer and obtain some advice allowing me to do good business, I am satisfied. I am ready to give him $15 or $20. I pay cash and

do not ask for a receipt. And when my wife and other members of my family go to the dentist, the same thing happens.

If my son or my daughter has a toothache, I spend $10 to help him or her sleep soundly and the whole family is happy. The deal is good, the $10 bill is handed over and no receipt is asked for.

Indeed the government does not know how much these people earn each year; nonetheless, it acknowledges all their expenses. Today, by proposing an across-the-board amount of $150 as employment expenses for the worker, the government recognizes that there is discrimination between wage-earners and professionals. Finally the government has recognized the existence of a problem and has tried to do something about it. Unfortunately, it has followed its usual bureaucratic method and has adopted a standard exemption, casting everybody in the same mould. The same exemption will be allowed to the employee who needs only a ball-point pen while certain workers in the building industry must buy $500 to $1,000 worth of tools.

I think it is an appropriate opportunity for the government to decide to eliminate this inequity already tolerated for too long. This inequity is recognized but still no concern is shown for the work-man who invariably comes last.

I wonder for how many years we will have to protest in the House and outside so that justice prevail and laws be identical for all taxpayers. When shall we stop passing special laws? In the case of the auto workers, when the owner of a repair shop buys the very same tools he is allowed to deduct the depreciation from his income along with the cost of replacing and repairing them while the workman is imposed a $150 limit or 3 per cent of his income, whichever is the lesser.

Mr. Chairman, the remarks I am making today are based on experience since I worked as a lumberjack and a carpenter before my two years as manager of a company in the building trade. I have witnessed hundreds of those inequities, always at the workman's disadvantage.

It will be argued that by allowing the workers to deduct expenses incurred in their trade, the application of the legislation would be difficult and costly, but I consider this a very weak argument. We could ask ourselves why its application would be more difficult for workers than for professionals. I believe its implementation is easier for workers than for professionals.

In the case of wage earners, the department knows exactly how much they make, while it does not even know the income of professionals or others. Very often, expenses that are in no way related to the nature of the business are claimed by the taxpayer as deductions.

Mr. Chairman, it would be interesting to find out how many wives of professionals, industrialists, merchants have the advantage of using a car whose depreciation costs are claimed by the business or businesses the husband owns. How many expenses are deducted for business trips which are in fact only pleasure trips! I could go on giving similar instances for a long time.

Mr. Speaker, we should return to facts and stop being so stingy with workers. We have been hearing about a thorough fiscal reform, but now is the time, I feel, to make a thorough job of it so that the law may be the same for all.

Therefore, I move, supported by the hon. member for Bellechasse (Mr. Lambert):

That section 8(1) of clause 1 be amended by substituting, in line 25, the word "all" for the words "such of", by deleting the word "following" in line 26 and by adding after the word "source", in line 27, the words "with supporting papers".

Mr. Chairman, the adoption of this amendment will allow the Canadian taxpayer to do with his expense account what he does now with receipts for charitable donations. This amendment would make it possible for the taxpayer which has very few expenses to avail himself of the deduction of $150 or of 3 per cent and those who will claim the deduction for greater expenses will be treated according to their tax returns and supporting evidence.

The Deputy Chairman: Order. The Chair wishes to ask leave to consider the amendment moved by the hon. member, especially in order to understand correctly the meaning of the amendment and to be able to take a better decision concerning its receivability. Therefore I intend to take as soon as possible a decision concerning the three amendments the House is discussing now which are the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) and the amendment that has just been moved by the hon. member for Portneuf (Mr. Godin). [*English*]

Mr. Mahoney: Mr. Chairman, I wish to speak on just a couple of points. In last night's *Hansard*, at pages 10246 and 10247 there is reference to clause 57. I believe that should be clause 57.1 dealing with co-operative corporations, rather than clause 57 which deals with personal corporations. I would request a correction to that effect.

While I am on my feet in this regard, there was an amendment by the hon. member for Moose Jaw on section 8(1)(e) dealing with railwaymen and their expenses. The government subsequently introduced an amendment to carry out the effect of his amendment. I understand that the hon. member is in agreement with it and that his amendment is to be withdrawn, if there is unanimous consent.

Mr. Knowles (Winnipeg North Centre): That statement is correct. Therefore, on behalf of the hon. member for Moose Jaw I ask that his amendment be withdrawn in favour of the one introduced by the government.

The Deputy Chairman: Does the committee give unanimous consent to allow the hon. member for Moose Jaw to withdraw his amendment to section 8?

Some hon. Members: Agreed.

Amendment (Mr. Skoberg) withdrawn.

Mr. Lambert (Edmonton West): First of all, Mr. Chairman, I would like to support the amendment moved by the Leader of the Opposition. It gives force to the reasons that I expressed earlier this week and several times last week as to why passage of the bill should be deferred. We have gone over this time and time again. I want to add a further reason which has to do particularly with hon. members who come from the province of Quebec. This refers to the result of the elimination of the estate tax.

• (4:30 p.m.)

I am told by representatives of the Society of Notaries that practically every will which includes the term "subject to the federal law" will have to be changed and that they do not know in what sense precisely. In the same way, if a will contains the term "subject to the provincial law" changes will have to be made and, again, they do not know in what way. Until there is agreement between the federal government and each province as to the impact of its succession duty, it is merely compounding confusion to insist upon passing this bill and its provisions dealing with repeal of the estate tax. The federal government has no right to tell the provinces to conform, but that is precisely what the provision we will vote on today is telling them—"Come to heel or else you will be responsible for any mess".

The provinces have equal jurisdiction with the federal government, but the federal government is insisting that the law come into effect on January 1. I say it has no more right to do this than has the province of Ontario to insist that the government of Canada amend the law to conform with theirs. They have the right to levy personal and corporate taxes. The provinces have rights with regard to the levying of succession duties, but by agreement only which expires in 1972. The federal government has offered to collect this income tax based on a uniform tax law in the provinces, and eight provinces have agreed. Ontario has farmed out the collection of personal income tax to the federal government but collects its own corporate tax.

The province of Quebec collects its own personal income tax and corporate income tax. Ontario collects its own succession duties, as does the province of Quebec. British Columbia has moved into the field of succession duties, 75 per cent, and all the other provinces which have a succession duty can get 75 per cent of the proceeds of estate tax under redistribution by agreement and they do not levy their succession duties. That is the way to get accord.

Mr. Chairman, today this government is asking members to tell the provinces, "We don't care a hoot about you. Come to heel and conform to this act". Most of the corporations of Canada are located in Ontario and Quebec, but neither province is in a position to amend its Corporation Tax Act nor to conform with this act. Of course, they may not want to amend and they have a perfect right not to. In this time of economic difficulty all we get are cracklings from the Prime Minister and other ministers to the effect that they are doing all they can to help the economy recover. But it is a backdoor approach. If any hon. member feels that he has greater wisdom than members on this side, let him undertake to operate a corporation in Ontario or Quebec as successfully as it should be operated.

Mr. Jamieson: I will take that on.

Mr. Lambert (Edmonton West): With two tax systems that operate on different principles? I invite the Minister of Transport to operate them as successfully as it should be done, under two separate systems of taxation and even fundamental differences in principle. If the minister thinks that the office of Minister of Transport is sometimes difficult, I suggest that he would go straight up the wall and through the roof as a result of trying to operate such a business. Yet this is what the government is compelling businessmen in Ontario and Quebec to do. I wonder at the gall, the unmitigated arrogance displayed in that attitude. It is not just a question of trying to override the opposition because they have greater muscle. Just who do they think they are trying to overcome?

Mr. Chairman, those idle cracklings that come out of the hon. member for Winnipeg South Centre—

Mr. Osler: We have heard this speech ten times.

Mr. Lambert (Edmonton West): Sometimes in order to get through a thick skull one has to repeat, and I am telling the Minister of Agriculture, who in fact has one of the thickest skulls in this House—

Mr. Olson: I am not even close to it.

Mr. Lambert (Edmonton West): He showed that on Bill C-176.

An hon. Member: Smile, Marcel.

Mr. Paproski: Sock it to them, Marcel.

Mr. Lambert (Edmonton West): The government's insistence on this particular point is not acceptable to the Canadian public. Whom do they think they are trying to overcome? Whom do they think they are trying to smother but the Canadian taxpayers? They are the people who are affected.

Some hon. Members: Shame!

Mr. Lambert (Edmonton West): Why do not the parliamentary secretary and others over there read the editorials in their friendly newspaper, the Winnipeg *Free Press*? Let the hon. member for Winnipeg South Centre read the editorial of December 2 and then go and hide in shame. And the Vancouver *Sun*, another newspaper that is friendly to the government—

Mr. Jamieson: With friends like that, who needs enemies?

Mr. Lambert (Edmonton West): The Minister of Transport asks, "With that kind of friend, who needs enemies?" The Vancouver *Sun*? We will remember that remark in due course, and I hope the *Sun* will too. The Winnipeg *Free Press*, the Vancouver *Province*, the *Globe and Mail*—

An hon. Member: How about the Montreal *Star*?

Mr. Mahoney: That is a real Liberal rag, the *Globe and Mail*!

An hon. Member: The Toronto *Star*?

Mr. Lambert (Edmonton West): I'll tell you about the Toronto *Star*. The Toronto *Star* kneels in adoration at its own altar. It bows before its own image.

• (4:40 p.m.)

Mr. Turner (Ottawa-Carleton): What about the Montreal *Star*?

Mr. Lambert (Edmonton West): The minister mentions the Montreal *Star*. Does he think it is friendly to the government on this bill?

Mr. Paproski: What about the Montreal *Gazette*?

Mr. Lambert (Edmonton West): Take whatever little comfort you may from any of these newspapers.

Mr. Baldwin: How many votes have they got?

Mr. Lambert (Edmonton West): How many editors across this country are in favour of the guillotine cutting off debate on this bill?

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): I have made my point. We have repeated this argument. The facts are there, and the people will remember. The other day I brought forward an amendment to section 3 with regard to the capital gains tax affecting farmlands. At that time, for purposes of greater clarity and certainty, I ought to have brought forward a companion amendment to section 39. Therefore, to make sure that there is consistency in the stand that we have taken on section 3 with regard to farmlands disposed of for continuing farming purposes, I wish to move an amendment to section 39 as follows:

That section 39 of clause 1 be amended by:

(1) deleting in paragraph (a) the word "and" in line 33 at page 97 and substituting therefor the word "or" and

(2) adding immediately thereafter the following:

(iv) land used in farming as defined in this act and to be used for continuing farming and

(3) deleting in paragraph (b) in line 13 at page 98 the words "or (iii)" and substituting therefor "(iii) or (iv)".

It is difficult to draft these amendments because the original provision is extremely complex. However, I think the purport of the amendment is clear.

My third point is this. The other night we embarked on an extensive discussion on section 239(2) which deals with the indictment procedure. That procedure may be invoked at the election of the Attorney General of Canada. Since the government's position needs clarifying, I have moved an amendment. That amendment, in this case to section 235, says that there shall not be a penalty under any regulation that is made retroactively under section 221(2). In case the Minister of Justice wishes clarification, let me say that section 221(2) provides that a regulation shall not be effective until it shall have been published in the *Canada Gazette*, but if it is so stated in the regulations it can have a retroactive effect prior to the date of publication. I do not want there to be a penalty with regard to the period between the so-called effective date and the date of publication. There are many things wrong with the principle of having offences created under a regulation that has not been published because it will not be known that such an offence exists. My amendment to section 235 seeks to correct this. I agree that a regulation can have retroactive effect, but I do not agree that there shall be any penalty thereunder.

I should like to know the government's position on section 239(2), bearing in mind the amendment I have moved. I know that certain members of the government expressed reservations, as I did, about the justice of allowing a minister of the Crown, even on the basis of incontrovertible facts put before him by the Minister of National Revenue, to say that a man shall go to jail. Under section 243 the court has no right to suspend sentence. I do not believe that any minister of the Crown has that right. I do not believe that he has the right to decide that a man shall go to jail. It is for the court to decide whether a man shall go to jail and, surely, not for a minister, a deputy minister or a director of prosecutions.

In no circumstances must we have that law in Canada. There can be adequate provision as to the sentence to be imposed by the court, and that shall be subject to appeal. Surely to goodness there should not in these cases be proceedings by way of indictment, especially since the finding of the court may indicate a considerably lesser offence than that charged in the information. For instance, a man may be charged with defrauding the Crown of a quarter of a million dollars and it may turn out that the amount is only $2,000. Yet because of the indictment procedure the man must go to jail. There is no relief; there can be no suspended sentence under section 243. This procedure may be invoked at the election of the Minister of Justice.

Mr. Woolliams: I never heard of such nonsense in any bill.

Mr. Baldwin: Mr. Chairman, while awaiting for His Honour to make a decision on the amendment of the Leader of the Opposition—and I am sure that sweet reason will compel him to decide in favour of the validity of the amendment—I wish to make a few comments on that amendment. On dirty Wednesday of last week the government, through its infamous closure measure, brought about a situation under which in a few minutes we shall be compelled to cease and desist from further discussion and debate on this bill.

Some hon. Members: Oh, oh!

Mr. Baldwin: I thought I heard hon. members on the other side say that they are in favour of closure. They do not need to say that; we know it.

Mr. Paproski: Shame on you all.

Mr. Baldwin: Mr. Chairman, closure of debate on this bill—

Some hon. Members: Shame!

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order, please. The hon. member for Hamilton-Wentworth rises on a question of privilege.

• (4:50 p.m.)

Mr. Gibson: I rise on a question of privilege, Mr. Chairman. With the greatest respect, I submit it is not right to call this closure when it is time allocation.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order.

Mr. Baldwin: When I look at this bill I am reminded of the phrase "For whom the bill tolls". It tolls for members opposite, members on this side and all the taxpayers of Canada.

Mr. Benson: With the reductions!

Mr. Baldwin: We have been attempting to secure an equitable arrangement so that those parts of the bill which are necessary to provide stimulation of the economy will become law without further delay. The complex and difficult measures which the Minister of Finance and his officials do not understand should await careful deliberation before becoming law. We have the imposition of closure in an even more insidious way. If the member for Hamilton-Wentworth wishes, we can get into a debate on that point. If this were really closure a motion would have to be moved in respect of every section. This is a much more infamous way of dealing with it. We have been deprived of debating these measures. This is why rule 75C was invoked rather than the more moderate closure measure rule which any normal government would have invoked. Because of this closure there is no opportunity for reasonable debate and discussion on many of the sections.

Do hon. members know that we have passed between 115 and 120 sections? There are still over 200 sections and subsections to be passed. There has been casual discussion on them but not the kind of debate which is essential on such an important matter. This infamous conduct on the part of the government makes it all the more necessary to suspend the operation of those parts of the bill to which my leader referred in the speech he made earlier today. Members opposite say that we have had discussion. We want more than discussion, Mr. Chairman; we want discussion leading to change. There are some parts of the bill which do not need change. We admit that. We are reasonable people.

Some hon. Members: Oh, oh!

Mr. Benson: Why did your members not attend the committee?

Mr. Baldwin: There are many sections which need change. The proof of that is in the fact that day after day amendments were brought forward by the government. I challenge the genial Minister of Finance to stand in his place now and deny that during the next session the government will be introducing substantial amendments to the Income Tax Act. I am prepared to yield to the minister if he will accept my challenge. His refusal to accept it is proof that what I have said is correct.

I call as a witness one of the minister's colleagues, the Minister of Consumer and Corporate Affairs. He has a bill before the House in respect of the competition act. He is now engaged in chewing it up piece by piece, trying to explain away the fact that the bill will not be proceeded with in this session. He has made so many speeches that it is hard to keep up with him, but in a speech to the Canadian Manufacturers' Association in Montreal on November 30 he said:

> We have developed new techniques for the introduction of the legislation, by inviting the co-operation of the people with the practical knowledge and experience to make their own studies of the proposals and to put forward their view—
>
> Surely, this is the responsible and appropriate way to approach legislation so fundamental to our economic life as the competition act.

For that I substitute "the amendments to the Income Tax Act."

> And an approach consistent with producing sound legislation. To the extent that we can draw on the views of businessmen from the different sectors of the economy—

I think he said something different when the labour people were before him. I think he substituted "labour people" for "businessmen."

> —that we are able to understand, and thus take account of, the particular needs of the many diverse and often conflicting elements that make up the Canadian economy—

I know that members opposite say that we have had a lot of discussion. Of course we have, as we must have discussion on matters so intrinsically important as this. We are not now dealing with the original discussion, the white paper or the original royal commission report; we are dealing with a bill which only came into our possession at the beginning of September.

Mr. Benson: July 12. You were not here all summer.

Mr. Baldwin: I was here throughout most of July. It is necessary to have a watchdog here to keep check on this government. I was here but I did not see this bill until after this session began.

Mr. Benson: You need a new secretary.

Mr. Baldwin: I have every reason to suspect it was probably leaked to me then.

Mr. Hogarth: Will the hon. member permit a question?

Mr. Baldwin: Yes, when I am finished. I have a lot to say and little time in which to say it. That is what the Minister of Consumer and Corporate Affairs had to say. It is not the way this bill has been rammed through this House. I suggest to hon. members and to the people of Canada that there is coming shortly a day of retribution. The Minister of Finance, his parliamentary secretary, all the members of the government and their supporters will have to answer to the taxpayers at the polls at the next election. That is the day they fear; that is the day they dread. I suggest that they now give thought to this last opportunity presented by the Leader of the Opposition and support his motion.

Only yesterday the government proposed very substantial amendments with regard to co-operatives and credit unions. The night before, as a result of proposals of this party, the government took into account some very cogent and reasonable arguments we made with regard to the administrative clauses. During the reasonably short debate on this bill, 135 or 140 amendments have been introduced by the government. Surely it is common sense to suspend the operation of these more difficult sections until there has been further opportunity for consideration. How is it possible for the tax experts, lawyers, accountants and their advisers, as well as the advisers of officials and corporations, to competently and intelligently advise their clients, the taxpayers of this country,

where they stand? I doubt if many of the ministers' advisers can do so. If so, they have not discharged their function. Certainly the minister and his parliamentary secretary do not understand them as well as they should.

In light of the amendments which have been introduced, and the fact the minister has not denied that he will be introducing a host of amendments in the next session, we have one of two ways in which to look at this matter. Either the government introduced the bill knowing it would be changed, which is both hypocritical and fraudulent—and this government excels in both of those characteristics—or they introduced the bill without being aware of its meaning and effect, which is plain stupid and indicates both administrative and parliamentary incompetence. I do not know on which pan of the scale to lay it. I think that in large measure it consists of both fraudulence and hypocrisy, and stupidity and incompetence.

• (5:00 p.m.)

Mr. Hogarth: Watch your language.

Mr. Baldwin: When the government introduces amendments on the scale it has done, how can its members have the unmitigated gall to say to the country, "Please pass this bill. We want it through. We want every part of it and we are not prepared to accede to the reasonable request of the Leader of the Opposition." It shatters my faith in the government, what little faith I have left. Talking of shattering, I address this question to the minister: What shattering tragedy would come about if he were to accept the amendment offered by my leader? If it lies within the scope of the mind of man to devise a monstrosity like this bill, the same mind should be able to change it, to adapt it to cover the requirements of the amendment moved by my hon. friend.

There is another aspect. We are aware of the experience in the United Kingdom. Some years ago they introduced there, not a massive bill of the kind before us, one which is well called the "First Book of Ben," but a relatively short bill providing for a capital gains tax. I was in Britain not long ago. I talked with some of the officials there and they told me the measure had given rise to one of the most vexing administrative problems their competent and experienced staff had ever been called upon to face, namely, the integration of the new capital gains tax into the existing tax structure.

However, the government of Canada is not satisfied with this. They are providing for other changes as well. All the preponderance of convenience rests with us with regard to changes we have proposed. I know the answer may well be that any more delay will result in further uncertainty. But how much more uncertainty could there be than the uncertainty which presently perplexes the business community? It will be many months, possibly many years before tax appeal decisions have been handed down on a great many of the point which are now in doubt. I shall be greatly surprised if within a year or two not less than 150 amendments are brought in to change the unworkable and iniquitous provisions of the bill before us.

I conclude by saying this. Taxes, like death, are very final. What we are seeing now is a form of fiscal euthanasia. It is a tax rip-off. It will place small business people, farmers and everybody else in a terrible predicament. I urge the minister to repent at the last minute, to stand up now and say; "I recognize the validity of the arguments which have been made. I respect the views of the Leader of the Opposition and I am prepared to accept his amendment." If he will do this, he will rise very sharply in my esteem. I shall now give the hon. gentleman an opportunity to do so.

Mr. Hogarth: Would the hon. member permit a question? He said he did not get a copy of this bill until September. Did he ever write to the Minister of Finance and ask him to deliver one as soon as it was available?

Mr. Baldwin: No. I understand there is a distribution office here and when bills are left at the distribution office they are to go to members. The only reason I did not get the bill was that it did not go to the distribution office.

An hon. Member: You were not here.

The Chairman: If I might have the indulgence of the committee I should like to take a moment or two, in connection with the amendment moved by the Leader of the Opposition, to deal with the point of procedure which the Chair raised and which was ably argued by hon. members who assisted the Chair.

The Chair is of the opinion that in the circumstances in which we are operating today, that is to say, when an order of the House imposes a time limit upon debate, it would be exceedingly difficult for the Leader of the Opposition to redraft his amendment should it be found that it was necessary to do so in order to meet procedural difficulties which might arise.

I shall not take the time of the committee to deal in detail with a matter which touches on an important constitutional question, but the final words of the motion proposed by the Leader of the Opposition cause me some extra concern. I mention this so there may be no misunderstanding. I refer to the words "shall not come into force and have effect as law until a day to be fixed by a proclamation that shall be subjected to an affirmative resolution of the House of Commons." This seems to propose a new concept in the legislative process. It is very doubtful, to my way of thinking, whether any precedent could be found to support the proposition that an amendment to a financial bill can override the principle that an act passed by two Houses of Parliament cannot be nullified by a resolution of either House. That is fundamental.

Having made this observation, however, I do not consider it to be a question to be summarily dealt with by the Chairman of the committee of the whole at this time because of its important constitutional implications. I do not wish to deal with this aspect for the time being, because of the lack of time this afternoon and the attendant circumstances. In my opinion, the committee should be allowed to resolve the question and I shall accordingly put the amendment. Is it the wish of the committee that I read the amendment again?

Some hon. Members: Dispense.

Mr. Whicher: I have listened for the last few minutes to my good friend, the hon. member for Peace River. He

used a few words like "fraudulent" and "hypocritical" and actually applied them to me. Not only was the government guilty of fraud and hypocrisy, he said, but its supporters were fraudulent and hypocritical. That includes me.

Mr. Baldwin: Oh, no.

Mr. Whicher: May I respectfully point out that people in glass houses should never throw stones?

Mr. Baldwin: On a point of order, I would not for the world be guilty of using the words "fraudulent" and "hypocritical" in relation to members of this House. I said the government was hypocritical and fraudulent or else stupid and guilty of both administrative and parliamentary incompetence. Anyone who wants to extricate an adjective out of the last phrase can do so, but not the first.

Mr. Whicher: I think the hon. member probably said a few things which were not in his notes. However, I am glad to accept his apology. When the Carter commission was picked in 1962, the right hon. member for Prince Albert was meticulous in his choice. The commission was picked by a Tory government. Ever since the Carter commission brought in its report our friends have been running away from it as if it had a very bad case of diptheria. As far as any tax legislation and changes are concerned, since the Carter report there has been at least nine years' gestation, and even an elephant requires only two years. We could have developed a whole herd of elephants in Africa in the time it has taken to bring in tax changes in this country.

• (5:10 p.m.)

There are many good things in this bill. If the government is to be criticized at all, I think the criticism should be levelled at the fact that it is only now that we have taken a firm stand. In June, 1968, the government was picked by the people of Canada to govern. The reason hon. members on the government side are sitting where they are is that the people of Canada had confidence in them.

Some hon. Members: Hear, hear!

Mr. Whicher: The reason opposition members are sitting where they are, and where they will remain for many years, is that the people have no confidence in them. Some people hum and haw about things for years, but it is high time hon. friends to my left understood that they lost the last election and that the government has a duty to govern. As a backbencher of the Liberal party I am glad the government has finally taken this initiative.

As I say, there are many good things in this bill. I think, for example, of the increased exemptions for all people in Canada. Approximately one million Canadians, once this bill is passed, will no longer pay tax as they have in the past. This is a bill of which we should all be proud. In addition, there are one million old age pensioners in Canada who, through the goodness of this government, are receiving benefits supplementary to the basic old age pension and who will no longer pay tax as a result of the provisions of this bill. I say that the Minister of Finance should stand up and take a bow.

[Mr. Whicher.]

Some hon. Members: Hear, hear!

Mr. Whicher: For years the mothers of Canada have complained not only to Conservative members but to all Members of Parliament that if they go out to work they have to employ a baby sitter to look after their family. There was no way they could get an exemption for the money thus expended. But now such a proposal is being implemented and I say that the mothers of Canada are proud of the government.

Furthermore, although our Tory friends have talked about implementing the capital gains tax, they are afraid to face the fact that it is only common sense that the man who makes half a million dollars on the stock market should be prepared to pay his just dues to society in the same way as if he is in receipt of a salary. Ninety-eight per cent of the people of Canada are in favour of a capital gains tax. Every western country supports such a tax, and they do so because it is a tax that is just and right. Our Tory friends who are sticking up for business interests do not have the gumption to stand up and say that a capital gains tax is a good thing.

It is true that this is a very large and comprehensive bill. It may also be true that there is no one in Canada who understands the entire bill. But that part of the legislation affecting 99 per cent of the people of Canada is very easy to understand and the people of Canada will appreciate it when it is passed and comes into effect on January 1 next. For too long have we been lead-swinging on the subject of tax legislation in this country. As far as I am concerned, the criticism that can be levelled at the government is that it did not take the initiative several months ago and do what it is now doing. The government was sent here to govern. The time for talk is passed; that is something hon. friends to my left should remember.

Periodically the Tories hold a convention and change their name. I remember when they were the good old Conservative party. Then they became the Progressive Conservative party. In view of the way they are acting on this bill, or were a couple of days ago, they should change their name to the retrogressive Conservative party—looking forward into the past and backward into the future. We need a constructive opposition in this chamber and the government does want to have a few members of the opposition back here after the next election. If the opposition would be a little more responsible, then at least some of them might get back here.

I have elaborated upon only four or five of the many good points in the bill. Lest my Tory friends think we are unwilling to face the electorate on this bill, let me tell them that we are willing to accept the gauntlet whenever the Prime Minister throws it down.

The Deputy Chairman: Order, please. I think I should take a few moments to comment on the amendments that were moved earlier when I was presiding over the deliberations of the committee. I wish to inform hon. members that I have considered the three amendments that have been put on sections 38 and 19 by the hon. member for Winnipeg North Centre and on section 8 by the hon. member for Portneuf. Although I still have strong reservations, particularly about one of them, and about the procedural acceptability of amendments to sections 38

and 8, as has already been mentioned by the Chairman of the committee I feel that the Chair should not at this time, in view of the exceptional circumstances and the limited time for debate, take the time of the committee to try to resolve the procedural problem presented by these three amendments.

I am sure hon. members will understand the difficulty that the Chair is facing and thus will not object to the question being put on these three amendments so that the committee can resolve them by voting on them. At the same time, I wish to add that this should not in any way be regarded as a precedent to be followed under more normal circumstances. I intend to put the three amendments at this time to the committee, unless there is objection.

• (5:20 p.m.)

[*Translation*]

As I have just said—and I want to point this out particularly to the hon. member for Portneuf (Mr. Godin)—I have examined the three amendments—including that of the hon. member for Portneuf—which have been proposed on section 8. The Chair does not want to take valuable time from the committee to discuss a matter of procedure relating to these amendments. This does not mean, however, that under normal circumstances the Chair would accept those amendments, as there really is a problem there. But for the present, considering the debate is to end in a few minutes, I will officially introduce those three amendments to the House.

[*English*]

It is moved by the hon. member for Winnipeg North Centre:

That Bill C-259 be amended at page 97 by deleting the phrase "½ of" from line 4, and also by deleting the phrase "½ of" from line 9.

It is also moved by the hon. member for Winnipeg North Centre:

That section 19 as set forth in clause 1 of the said bill be amended by striking out subsection (2) on pages 58 and 59.

[*Translation*]

The hon. member for Portneuf (Mr. Godin) moves:

That section 8(1) of clause 1 be amended by substituting, in line 25, the word "all" for the words "such of", by deleting the word "following" in line 26, and by adding after the word "source", in line 27, the words "with supporting papers".

[*English*]

Order. Is the hon. member for Winnipeg North Centre rising on a point of order?

Mr. Knowles (Winnipeg North Centre): No, Mr. Chairman.

The Deputy Chairman: The hon. member for Bellechasse.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, in support of the amendment moved by my colleague from Portneuf (Mr. Godin), I believe that this is probably the last opportunity I shall have of speaking during the debate in committee of the whole on Bill C-259, because the government—contrary to the wishes of all opposition parties and consequently of the majority of the Canadian people which they represent—has decided unilaterally to put an end to the debate on a subject that is nevertheless very important since it will affect for many years to come the taxation system applicable to millions of individuals and thousands of corporations.

Once again I say that the party in power is the only one that can assume responsibility for this unfortunate decision, and it will have to attempt to explain to the people of Canada why it has compelled the legislators to vote in a few hours on a great many sections of this bill which are still remaining and some of which are nevertheless most important.

I quite agree on the need for a total tax reform to correct, among other things, some intolerable situations that in many cases had become obvious display of iniquity and frustration.

If I can support without any hesitation many provisions of the bill before us, I must also say that I can't do the same in connection with several others which seems to me completely inappropriate.

Thus, I felt it my duty to fight vigorously the notion of employed capital which was proposed as the main method of computing the co-operatives' taxable income. In this regard, I am very happy that the government has finally agreed to give more flexibility to its initial position and to delete this most controversial aspect.

There is however another point of prime importance which I must discuss. Indeed, I have objected since the beginning to section 8 (1) (*a*) which limits the employment expenses deductible from earnings from that employment. I really cannot see why the Minister of Finance (Mr. Benson) establishes an arbitrary maximum of 3 per cent or $150. It seems illogical to me not to grant the thousands of taxpayers who use the T-1 short income tax return the same rights and privileges from which other classes of taxpayers benefit, including professionals of every category.

I think the government should take account of all the types of workers whose tools and travelling expenses eat up a substantial part of their modest income. Let us take for example a mechanic or a carpenter who, even before beginning to make a profit, must spend several hundred dollars for basic equipment or tools to which will be progressively added some quite costly implements many of which must regularly be replaced.

The same applies to the logger who in addition to being away from his family for weeks must bear heavy travelling expenses and considerable expenses for the purchase, maintenance and replacements of the essential tools of his trade.

As for travelling expenses, it seems to me entirely normal that they be deducted from taxable income, taking into account however such restrictions as a reasonable daily or weekly commuting distance. Let us consider, among others, the thousands of employees of the private and public transportation systems—railways workers, truckers, etc.—who are compelled to eat most of their meals away from home; as a result, they incur additional expenses for food and in some cases also, for lodging, both of which are basic individual needs and therefore lead to unavoidable expenses.

The government should therefore allow, in computing the taxable income, that those additional expenses directly related to such employment be taken into account.

Finally, I shall bring up another case in support of this proposal; the case of miners who, because the closing down of mines operating in an area close to their homes, must henceforth earn their livelihood at locations sometimes pretty far from their main residence, resulting either in major weekly, bi-montly or monthly travelling expenses, added to the expenses of setting up a secondary residence or, alternately, in a decision to move the whole family which involves, over and above disruption of the individuals social environment, the quite substantial material costs of actual moving expenses.

Mr. Chairman, I am not inventing those facts; they are real problems which hundreds of miners must face in Abitibi. We are actually witnessing in this area a constant shift of the Timmins-Rouyn-Noranda-Malartic-Val d'Or mining operations toward new development centres of mining explorations always located more to the north, hence the newly created towns of Matagami, Chibougamau and Chapais. These problems of regional economy, which directly affect the mobility of miners, are not only in this outlying Quebec area. I am convinced that other provinces are at grips with this type of difficulties. Those are, of course, very complex problems which the government, unfortunately, seems to overlook in its tax reform legislation.

• (5:30 p.m.)

I therefore ask the Minister of Finance to kindly reconsider seriously section 8(1)(a), that all types of workers might in the future deduct from their taxable income all expenses related directly to their work. The government owes it to itself to meet the needs and aspirations of all Canadian workers, and not only of various groups of professionals who already benefit from the advantages we request. The government cannot, in all honesty, treat individuals differently, according to their social status or occupation. The contribution of every worker, regardless of his trade or occupation, is important to the community and constitutes an essential part, an important fraction of a whole called the "collective effort" of society. It is therefore here and now, more than ever, that the Liberal slogan of the "just society" should be put into practice. The concept of equality of citizens in matters of taxation should also be recognized in the section of the bill dealing with deductions applicable. Otherwise, the general principle of tax equity underlying the bill before us will be defeated.

It is not a question here of claiming rights or privileges for a small group of citizens. It is rather a matter of including a general provision of which all workers could avail themselves and which would affect them more directly.

For instance, according to Statistics Canada, the number of workers in logging in 1969, was estimated at 64,900 and that of construction workers at 377,200. Those are two classes of workers who would benefit from our proposal. Construction workers only represented, in August 1971, about 6.8 per cent of Canada's labour force. If we add all the other groups of workers already mentioned, we find that they represent a very substantial part of the total labour force, which shows the importance of protecting them as much as the other citizens who benefit from a different tax treatment as regards deductions and who have nevertheless a substantially higher income than the workers affected by the proposal before us now.

Finally Mr. Chairman, while deploring the insanity of the coercion climate in which the debate on Bill C-259 is to come to a close, I should like to ask all my colleagues who are really concerned about respect for the fiscal equity principle and whom the arguments I stated may have influenced, to support unreservedly the amendment presented today by the hon. member for Portneuf (Mr. Godin).

This amendment would include in the deductible elements of income all expenses directly related to the work of the individual whose transportation expenses exceed some limit to be set by regulations made under the legislation. We must consider that this amendment could, among other things, grant construction workers, lumbermen and mechanics the right to deduct from their income their various moving expenses and the cost of purchasing, maintaining and replacing their tools.

In the final analysis, such a provision would only bring about a higher degree of justice, since besides the classes of workers abovementioned and which would be the more affected, this proposal could also be applied, it need be, to all the groups of workers in our society who must incur large expenses in the practice of their main trade.

Therefore I believe that all the classes of workers I have mentioned largely contribute to build up and maintain many things that benefit the whole society.

If a husband and father leaves his family for weeks or months to work hundreds of miles away from his home, for instance to supervise the construction of a hospital or take part in the extraction of our natural resources, often in difficult and sometimes inhuman conditions, he deserves the same benefits granted to others able to earn larger sums of money in much better conditions.

After the government introduced amendments to the sections concerning the co-operatives, Caisses populaires and credit unions, several hon. members discovered their call was to defend such institutions, whereas at the start of the debate they were completely mute. This is the time to speak up for the Canadian workers to whom justice is not rendered under Bill C-259. All hon. members who belatedly took position on sections 136 and 137 must now have the courage to support the amendment.

[English]

The Deputy Chairman: I apologize to the hon. member for Halifax-East Hants but I think at this time I should revise the procedure regarding the amendment of the hon. member for Edmonton West. I am informed that this amendment has not been formally put to the committee so I will put it at this time. It was moved by the hon. member for Edmonton West:

That subsection 39 of clause 1 be amended by: (1) deleting in paragraph (a) the word "and" in line 33 at page 97 and substituting therefor the word "or" and (2) adding immediately thereafter the following: "(iv) land used in farming as defined in this act and to be used for continuing farming". (3) deleting in paragraph (b) in line 13 at page 98 the words "or (iii)" and substituting therefor ", (iii) or (iv)"

Mr. McCleave: Mr. Chairman, we have four minutes before the vote and we have agreed to share that time equally with the hon. member for Winnipeg North Centre.

When one has a knife at one's throat, one is rarely a philosopher or a philologist in deciding whether what is happening is time allocation, gagging or some other form of despotic corruption. This will happen to us in a few moments.

I make these points, but first I wish to explain my party's opposition regarding many of the sections on which we will be voting. It is because we have not had explanations on complex sections. When section 104, dealing with trusts, is called and we say it is passed on division, let the government understand that it is because it has 22 subsections and covers 10 pages and we doubt that anybody over there knows what it is all about.

• (5:40 p.m.)

I would have liked an opportunity in this debate to discuss the interesting section on good will and the sale of "nothings." I simply make the point that when the hon. member for Bruce and his colleagues in the Liberal party troop to the polls next time, they will find out how quickly good will depreciates, and they won't get a market for "nothing."

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I thank the hon. member for Halifax-East Hants for sharing these last four minutes with me. I indicated that I would like the floor for this short period mainly to indicate how we intend to vote on the amendment proposed this afternoon by the Leader of the Opposition. As hon. members are aware, despite any good that is in this bill, and despite the improvements that we have been able to have included in it in the last few days, we still feel there is so much in the bill that is bad that we have no alternative but to vote against it when we reach third reading, as indeed we shall do this evening.

However, Sir, we do not feel that we can support the amendment put forward by the Leader of the Opposition. We take this position for three reasons. In the first place, it seems to us that if the amendment of the Leader of the Opposition means anything, it involves concessions to big business. We do not go along with those concessions. In the second place, we do not think that the amendment of the Leader of the Opposition means anything for big business or for anything else, because if the amendment were carried and written into the bill and the bill were passed in that way, all the taxes in the bill would eventually come into force just as they are now spelled out in the bill and the people who thought they were getting something by the amendment would be fooled. They would not get anything at all except a change in the date when the tax changes would come into effect.

Our third reason for being opposed to the amendment is that we have too much regard for the parliamentary system. We think that trying to pass a bill through both Houses, yet having in it a provisional clause, is not the way to deal with legislation. We are against the bill. We are against this monstrosity. We deplore the fact that we have not had a chance to discuss hundreds of its pages. We deplore what will take place in about 30 seconds from now. But we do not think the amendment of the Leader of the Opposition makes any improvement. Therefore, we shall vote against it.

Mr. Paproski: On a point of order, Mr. Chairman, before the guillotine falls, and on behalf of all taxpayers in Canada, I want to show what I think of what is happening here by tearing this bill into pieces.

Some hon. Members: Oh, oh!

The Chairman: Order, please. It being 5.45 p.m., it is my duty, pursuant to order made Thursday, December 2, 1971, to interrupt the proceedings and put forthwith every question necessary to dispose of committee of the whole stage of Bill C-259, an act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act. The Chair will first put the amendment proposed by the Leader of the Opposition. Moved by Mr. Stanfield, seconded by Mr. Baldwin:

That clause 1 of the bill be amended by deleting lines 1 to 3 on page 1 and substituting therefor the following:

"1. Parts I to IIIA and Parts V to VII of the Income Tax Act are repealed and the following substituted therefor so as to apply, subject to the said act as hereby amended and to Part III of this act, to the 1972 and subsequent taxation years but the said act as hereby amended, excepting thereout those portions thereof containing an arrangement, revision and consolidation of the provisions of the said Act as the said act is amended by the application *mutatis mutandis* of the provisions of sections 6 and 8, subsection 12 of section 20, and sections 62, 63, 109, 110 and 117 of the said act as hereby amended, shall not come into force and have effect as law until a day to be fixed by a proclamation that shall be subject to affirmative resolution of the House of Commons:"

Amendment (Mr. Stanfield) negatived: Yeas, 54; nays, 150.

Mr. McGrath: On a point of order, Mr. Chairman, contrary to the provisions of Standing Order 12(2) the hon. member for Cochrane came into the committee and voted after the motion had been put. I would ask Your Honour to make a ruling.

The Chairman: May I deal with the point of order first and then I will recognize the hon. member for Cochrane. The Chair did not notice when the hon. member came into the chamber. Perhaps this would be a good time for me to read Standing Order 12(2) referred to by the hon. member for St. John's East. I entreat all hon. members to observe the provisions of the Standing Order which reads as follows:

• (5:50 p.m.)

When Mr. Speaker is putting a question, no member shall enter, walk out of or across the House or make any noise or disturbance.

I know that hon. members will want to observe this rule.

Mr. McGrath: On the same point of order, Mr. Chairman, I submit, with respect, that the vote taken was improper not only because the hon. member, contrary to the provisions of the Standing Order, came in after the motion had been put—

Some hon. Members: Hear, hear!

Mr. Bell: And voted. Take the vote over again.

The Chairman: Order, please. The Chair accepts what the hon. member for St. John's East has stated. If the hon.

member for Cochrane did vote irregularly, I am sure he will indicate it at this point.

Some hon. Members: Ask him.

Mr. Stewart (Cochrane): First of all, Mr. Speaker, when I walked into the chamber there was such a din going on—

Some hon. Members: Oh, oh!

Mr. Stewart (Cochrane): —which I found out later was because the hon. member for Prince Edward-Hastings—

An hon. Member: He went out.

Mr. Stewart (Cochrane): —was being asked to leave. I really did not know what was going on and as a result I simply voted with my colleagues.

Mr. Woolliams: He is like the rest of the members—nobody knows about this bill.

Mr. Jerome: You are afraid to read it.

The Chairman: The hon. member for Cochrane has indicated that when he came into the chamber he was not aware that a vote was being taken. I accept his word and the vote will be altered accordingly.

Mr. Forrestall: I rise on a question of privilege, Mr. Chairman, to indicate to the committee that I am paired with the Minister of National Defence and had I voted I would have voted in favour of the amendment.

Mr. McGrath: I submit to Your Honour, with great respect, that the Chair has no authority to alter or change the vote in any way. If the Chair upholds my point of order, the vote must be taken over again or it must be declared that it was not a legitimate point of order.

The Chairman: Order, please. With respect, I suggest there are many precedents which clearly show that when an hon. member has indicated that another hon. member may have voted irregularly, and that hon. member indicates that he may have voted irregularly, the vote shall be altered accordingly.

Shall clause 1, section 2, carry?

Some hon. Members: Carried.

Mr. McGrath: Read it.

Mr. Lambert (Edmonton West): On division.

Mr. McGrath: I want to know what I am voting for or against, and I do not know unless Your Honour reads the section.

Mr. Jerome: Where have you been for the last six weeks?

The Chairman: I will, of course, be guided by the advice of hon. members. It seems to me, however, that it would be very unusual and irregular to read clauses which appear in the bill and which hon. members have had before them for some time. I would not think that situation would apply as far as amendments are concerned. Unless the hon. member can quote some authority to show that the Chair should read the clauses in a bill, I would not be prepared to do so.

[The Chairman.]

Mr. McGrath: I will be guided by your suggestion, Mr. Chairman, but I submit that there is nothing usual or regular about the procedure being followed here tonight.

The Chairman: Shall clause 1, section 2, carry?

Some hon. Members: On division.

Clause 1, section 2, agreed to.

The Chairman: On clause 1, section 3, there is an amendment by Mr. Burton which appears at page 9622 of *Hansard*. I think the committee might deal with this amendment first.

Amendment (Mr. Burton) negatived: Yeas, 21; nays, 182.

The Chairman: The question is now on the amendment by Mr. Lambert (Edmonton West), appearing at page 9564 of *Hansard*.

• (6:00 p.m.)

Amendment (Mr. Lambert, Edmonton West) negatived: Yeas, 56; nays, 148.

The Chairman: I declare the amendment lost. Shall section 3 carry?

Mr. Lambert (Edmonton West): On division.

Clause 1, section 3, agreed to.

The Chairman: Sections 4 and 5 have been carried, as have sections 6 and 7. The hon. member for Portneuf today moved an amendment to section 8. Shall the amendment carry?

Amendment (Mr. Godin) negatived: Yeas, 33; nays, 178.

The Chairman: I declare the amendment lost.

Mr. Alkenbrack: Mr. Chairman, I am rising with respect to a point of procedure which could be classed as a point of order. This procedure is most confusing, to say the least, besides being autocratic. This is no way to do things. Amendments to the bill have not been printed on the pages of the bill. They are not available on our desks and I think that it would be reasonable and more democratic if Your Honour were at least to read the amendments that have been moved.

Mr. McGrath: Hear, hear!

Mr. Alkenbrack: There are numerous amendments to the bill. Would it not be possible for them to be read so that we may know what we are voting for or against?

The Chairman: The hon. member's request is entirely reasonable and I have no hesitation in agreeing with him. As I indicated earlier, if hon. members indicate that they wish amendments to be read, they will be read. I think that is how we should proceed. Some amendments, particularly those which have been moved by the minister, have been included in *Hansard*, in some cases for weeks. I wonder whether hon. members would wish me to read those.

Some hon. Members: No.

The Chairman: Perhaps the Chair ought to read amendments which have not been printed in *Hansard*. If hon.

members wish the Chair to read amendments that have been printed in *Hansard*, they will be read if hon. members so indicate. The Minister of National Revenue has moved an amendment to section 8, as indicated on page 8934 of *Hansard*. Shall the amendment carry?

An hon. Member: On division.

Amendment (Mr. Gray) agreed to.

The Chairman: The hon. member for Scarborough East has also moved an amendment to section 8, as indicated at page 9608 of *Hansard*.

Amendment (Mr. O'Connell) agreed to.

The Chairman: Shall section 8, as amended, carry?

An hon. Member: On division.

Clause 1, section 8, as amended, agreed to.

The Chairman: Hon. members will note that sections 9 to 13 inclusive have been carried. Shall section 14 carry?

An hon. Member: On division.

Clause 1, section 14, agreed to.

The Chairman: Sections 15 and 16 have been carried. Shall section 17 carry?

Clause 1, section 17, agreed to.

The Chairman: Section 18 has been carried. The hon. member for Winnipeg North Centre moved an amendment to section 19 as follows:

That section 19 as set forth in clause 1 of the said bill be amended by striking out subsection (2) on pages 58 and 59.

Amendment (Mr. Knowles, Winnipeg North Centre) negatived: Yeas, 20; nays, 187.

The Chairman: I declare the amendment lost. Shall section 19 carry?

Some hon. Members: No.

Clause 1, section 19, agreed to: Yeas, 180; nays, 26.

• (6:10 p.m.)

Clause 1, sections 20 to 28 inclusive, agreed to.

Clause 1, section 29, agreed to: Yeas, 126; nays, 86.

Mr. McKinley: I rise on a point of order, Mr. Chairman. I think it should be brought to the attention of government members who do not know what they are voting on that the basic herd just went down the drain.

Some hon. Members: Hear, hear!

Mr. Bell: You have milked your last cow.

Mr. Lundrigan: I rise on a point of order, Mr. Chairman. The Minister of Agriculture just rose to his feet. He should be heard. Perhaps he wants to explain the reason—

Some hon. Members: Order.

[*Translation*]

Mr. Matte: Mr. Chairman, I am rising on a point of order.

The Chairman: The hon. member for Champlain on a point of order.

Mr. Matte: Mr. Chairman, I would like to know if the hon. mem ber for Langelier (Mr. Marchand) and the hon. member for Saint-Boniface (Mr. Guay) were trying to indicate, with their hat on their head, that their party has a bee in its bonnet.

[*English*]

Clause 1, section 30, agreed to.

The Chairman: Shall section 31 carry?

Some hon. Members: On division.

Clause 1, section 31, agreed to.

Clause 1, sections 32 and 33, agreed to.

The Chairman: Shall section 34 carry?

Some hon. Members: On division.

Clause 1, section 34, agreed to.

[*Translation*]

Mr. Fortin: Mr. Chairman, that is the problem which we face and were already facing when we started considering this bill. You are calling the numbers and maybe it's not your fault but you are calling them perhaps a little too fast. Finally, we have some difficulty to understand what section we are on. Also, when we say "on division" you do not hear it and it looks like the section is being carried unanimously, when it is not the case.

Mr. Chairman, since all the procedure is in English would you give us a chance to participate?

Mr. Lambert (Edmonton West): Just follow the text of the bill.

[*English*]

Mr. Burton: Mr. Chairman, I rise on a point of order. I wonder if it would be possible, when reading the numbers of the sections or clauses being voted on, to have the marginal notes read at the same time.

[*Translation*]

Mr. Fortin: Mr. Chairman, I would like to say that we support this suggestion to allow hon. members to know where they are going and what they are voting on.

• (6:20 p.m.)

[*English*]

The Chairman: The Chair will deal with the two points of order, which are related. I apologize to the hon. member for Lotbinière if I am proceeding too quickly. But I would point out that the Chair is labouring under some difficulty, too, because there is murmuring in the background.

Mr. Bell: That is the taxpayers.

Some hon. Members: Oh, oh!

The Chairman: It is sometimes difficult to hear it when hon. members call "On division". I invite any hon. members who wish a vote carried on division to interrupt the Chair. It is difficult to hear at this distance, particularly when there are discussions in the background. If an hon. member rises and indicates that a section is to be approved on division, it will be recorded that way.

With respect to the point raised by the hon. member for Regina East, I think it would be a departure from well established practice for the Chair to read either the sections of the bill or the marginal notes. Hon. members have had the bill before them for some time. Unless any authority can be shown, I would prefer not to read the marginal notes. But I will proceed more slowly.

Mr. MacLean: May I suggest to Your Honour that when you call the sections you also mention the page number? Some of these sections take up only part of a column while others are several pages long.

Some hon. Members: Hear, hear!

Mr. Bell: As we finish each ten pounds of the bill, Mr. Chairman, would you let us know?

Some hon. Members: Oh, oh!

The Chairman: I think the hon. member for Malpeque has made a reasonable suggestion. The Chair will do that.

Mr. McGrath: It will be a long night. I wonder if it would be possible for us to vote from our seats?

Mr. Bell: How would the Senate do this? They cannot keep getting up and down.

Clause 1, section 35, agreed to: Yeas, 146; nays, 66.

The Chairman: Sections 36 and 37 have been carried. On section 38, to be found at page 97, there is an amendment by the hon. member for Winnipeg North Centre.

Amendment (Mr. Knowles, Winnipeg North Centre) negatived: Yeas, 19; nays, 183.

The Chairman: Shall section 38 carry?

Mr. Lambert (Edmonton West): On division.

Clause 1, section 38, agreed to.

• (6:30 p.m.)

The Chairman: The question is on section 39. There are two amendments. The section may be found at page 97 of the bill. If the committee agrees, the Chair will put the amendment of the hon. member for Edmonton West.

That section 39 of clause 1 be amended by:

(1) deleting in paragraph (a) the word "and" in line 33 at page 97 and substituting therefor the word "or" and

o(2) adding immediately thereafter the following

(iv) land used in farming as defined in this act and to be used for continuing farming and

(3) deleting in paragraph (b) in line 13 at page 98 the words "or (iii)" and substituting therefor "(iii) or (iv)".

Amendment (Mr. Lambert, Edmonton West) negatived: Yeas, 89; nays, 124.

The Chairman: On section 39 there is a further amendment by the Minister of National Revenue which appears at pages 8935 and 8936 of *Hansard.*

Amendment (Mr. Gray) agreed to.

The Chairman: Shall section 39, as amended, carry?

Some hon. Members: On division.

Clause 1, section 39, as amended, agreed to.

[The Chairman.]

The Chairman: The question is on section 40 which appears at page 99 of the bill. There is an amendment by the Minister of National Revenue appearing at pages 8936 and 8937 of *Hansard.* Shall the amendment carry?

Mr. McGrath: I think the amendment should be read. We do not have time to find the amendments in *Hansard.*

The Chairman: I did indicate to all hon. members that the amendment to section 40 appears at pages 8936 and 8937 of *Hansard.*

Mr. MacInnis: Mr. Chairman, I rise on a point of order. I draw to the attention of the Chair the fact that there is only one set of *Hansard* for every two members of the House. When we come to the amendments I think the Chair is obligated to read them.

The Chairman: Is the committee ready for the question on the amendment to section 40?

Mr. McGrath: Read the amendment.

The Chairman: The hon. member has asked the Chair to read the amendment. The Chair has already indicated twice during the proceedings of the committee that unless the hon. member can indicate some precedent or authority, the Chair does not feel it should read the amendments. The amendments have been in *Hansard* for some time. However, the Chair has all the time in the world and hon. members can take the time to read the amendments if they wish.

Some hon. Members: Question.

The Chairman: Is the committee ready for the question on the proposed amendment to section 40?

Some hon. Members: Question.

The Chairman: Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

Clause 1, section 40, as amended, agreed to: Yeas, 140; nays, 64.

The Chairman: The question is on section 41 which is to be found at page 102 of the bill. Shall section 41 carry?

Mr. Woolliams: On division.

Clause 1, section 41, agreed to.

The Chairman: The question is on section 42 which appears at page 104 of the bill.

• (6:40 p.m.)

[*Translation*]

Mr. Fortin: In the case of section 41, Mr. Chairman, did you put it down on division?

[*English*]

The Chairman: Order. The Chair did not hear a dissenting voice. I would ask hon. members to have patience with the Chair because it is difficult to hear dissenting voices from so far away when there are other conversations being carried on in the Committee. If any hon. member wishes to dissent he should rise in his place. I think that

would be the best way to do it. I gather from the hon. member for Lotbinière that his group dissented on section 41. The section has been carried but it could be carried on division if the committee wishes.

Mr. Lambert (Edmonton West): There was an "On division".

The Chairman: I understand it was carried on division. The question is on section 42 which appears at page 104 of the bill. Shall section 42 carry?

Clause 1, section 42, agreed to.

The Chairman: The question is on section 43 which appears on page 104. Shall section 43 carry?

An hon. Member: On division.

Clause 1, section 43, agreed to.

The Chairman: The question is on section 44 which appears at page 104 of the bill. Shall section 44 carry?

Mr. Lambert (Edmonton West): On division.

Clause 1, section 44, agreed to.

The Chairman: The question is on section 45 which appears at page 105 of the bill. Shall section 45 carry?

Clause 1, section 45, agreed to.

The Chairman: The question is on section 46. There is an amendment by the Minister of National Revenue which appears at page 8937 of *Hansard*. The question is on the amendment. Shall the amendment carry?

An hon. Member: On division.

Amendment (Mr. Gray) agreed to.

The Chairman: Shall section 46, as amended, carry?

An hon. Member: On division.

Clause 1, section 46, as amended, agreed to.

The Chairman: The question is on section 47, appearing at page 109 of the bill. There is an amendment by the Minister of National Revenue, appearing at page 8937 of *Hansard*. Shall the amendment carry?

An hon. Member: On division.

Amendment (Mr. Gray) agreed to.

Clause 1, section 47, as amended, agreed to.

The Chairman: The question is on section 48 which appears at page 110 of the bill. There is an amendment by the Minister of National Revenue, appearing at page 8937 and page 8938 of *Hansard*. Shall the amendment carry?

Mr. Lambert (Edmonton West): On division.

Amendment (Mr. Gray) agreed to.

The Chairman: Shall section 48, as amended, carry?

An hon. Member: On division.

Clause 1, section 48, as amended, agreed to.

The Chairman: The question is on section 49. There are two amendments thereto. Section 49 appears at page 111 of the bill. The amendment by the Minister of National Revenue appears at page 8938 of *Hansard*. Shall the amendment carry?

Amendment (Mr. Gray) agreed to.

The Chairman: There is also an amendment by the Minister of National Defence to section 49, which appears at page 9158 of *Hansard*. Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 1, section 49, as amended, agreed to.

Clause 1, section 50, agreed to.

The Chairman: The question is on section 51. First, there is an amendment to section 51 which appears at page 113 of the bill. The amendment by the Minister of National Revenue appears at page 8938 of *Hansard*. Shall the amendment carry?

Amendment (Mr. Gray) agreed to.

Clause 1, section 51, as amended, agreed to.

The Chairman: The question is on section 52 at page 113. Shall section 52 carry?

An hon. Member: On division.

Clause 1, section 52, agreed to.

The Chairman: The question is on section 53. There is an amendment thereto by the Minister of National Revenue. The section appears at page 114 of the bill and the amendment appears at page 8938 of *Hansard*. Shall the amendment carry?

An hon. Member: On division.

Amendment (Mr. Gray) agreed to.

The Chairman: Shall section 53, as amended, carry?

Mr. Lambert (Edmonton West): On division.

Clause 1, section 53, as amended, agreed to.

The Chairman: The question is on section 54 which appears at page 123 of the bill. There is an amendment thereto by the Minister of National Revenue, appearing at page 8938 and page 8939 of *Hansard*. Shall the amendment carry?

An hon. Member: On division.

Amendment (Mr. Gray) agreed to.

The Chairman: Shall section 54 as amended carry?

Mr. Lambert (Edmonton West): On division.

Clause 1, section 54, as amended, agreed to.

Clause 1, section 55, agreed to.

• (6:50 p.m.)

The Chairman: The question is on section 59 which appears at page 137 of the bill. Shall section 59 carry?

Some hon. Members: On division.

Clause 1, section 59, agreed to.

The Chairman: The question is on section 64 at page 154 of the bill. There is an amendment thereto by the Minister of National Revenue which appears in *Hansard* on page 8940. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Chairman: Shall section 64, as amended, carry?

Some hon. Members: On division.

Clause 1, section 64, as amended, agreed to.

The Chairman: The question is on section 65 appearing at page 155 of the bill. Shall section 65 carry?

Some hon. Members: No.

Clause 1, section 65 agreed to: Yeas, 115; nays, 67.

The Deputy Chairman: The question is now on section 66 and on the amendment thereto by the Minister of National Revenue which appears in *Hansard* at page 8940. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 66, as amended, carry?

Some hon. Members: No.

Clause 1, section 66, as amended, agreed to: Yeas, 110; nays, 65.

Mr. Woolliams: I rise on a point of order, Mr. Chairman. I may have voted with the NDP, but I voted against the section for different reasons.

Mr. Lewis: You can record that every time it happens.

The Deputy Chairman: The question is on section 68, which appears at page 168 of the bill. Shall section 68 carry?

Some hon. Members: On division.

Clause 1, section 68, agreed to.

Clause 1, section 71, agreed to.

• (7:00 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. I believe there were discussions about an hour or so ago as to the possibility of our taking a break for something to eat.

Some hon. Members: Oh, oh!

The Deputy Chairman: Order, please. The Chair understands that hon. members might have different opinions but they should let the hon. member for Winnipeg North Centre make his point.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I believe the reason for these discussions was quite clear, namely, that if we carry on until the end of the bill without a break we will swamp the dining-room. We are keeping people here for endless hours and it would be reasonable to have a break of about an hour.

Mr. Baldwin: On the point of order, Mr. Chairman, I made this suggestion in good faith. If the government does not want to do it, that is fine. When a bully engages in rape, the details are immaterial.

[The Chairman.]

The Deputy Chairman: Hon. members know that this can be done only by unanimous consent. There does not seem to be unanimous consent. Therefore, we will proceed with the question on section 73, at page 176 of the bill. There is an amendment to the section by Mr. Gray, which appears in *Hansard* at page 8941. Shall the amendment carry?

Amendment (Mr. Gray) agreed to: Yeas, 158; nays, 6.

The Deputy Chairman: Shall section 73, as amended, carry?

Some hon. Members: On division.

Clause 1, section 73, as amended, agreed to.

The Deputy Chairman: Shall section 79 carry?

Some hon. Members: On division.

Clause 1, section 79, agreed to.

The Deputy Chairman: The question is on section 80, at page 184 of the bill, on which there is an amendment by Mr. Gray which appears in *Hansard* at page 8941. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 80, as amended, carry?

Some hon. Members: On division.

Clause 1, section 80, as amended, agreed to.

The Deputy Chairman: The question is on section 82 which appears at page 188 of the bill and which has an amendment by Mr. Gray, which appears in *Hansard* at page 8942. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 82, as amended carry?

Some hon. Members: On division.

Clause 1, section 82, as amended to, agreed to.

The Deputy Chairman: The question is on section 83 which appears at page 189 of the bill and on which there is an amendment by Mr. Gray which also appeared in *Hansard* at page 8942. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 83, as amended, carry?

Some hon. Members: On division.

Clause 1, section 83, as amended, agreed to.

The Deputy Chairman: The question is on section 84 which appears at page 190 of the bill, on which there is an amendment by Mr. Gray which can be found in *Hansard* at page 8942. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 84, as amended, carry?

Some hon. Members: On division.

Clause 1, section 84, as amended, agreed to.

The Deputy Chairman: The question is on section 85 which appears at page 194 of the bill and on which there are two amendments, one by Mr. Gray which can be found in *Hansard* at pages 8942 and 8943, and a second amendment by Mr. O'Connell which can be found in *Hansard* at page 9608. The question is on the amendment moved by Mr. O'Connell. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. O'Connell) agreed to.

The Deputy Chairman: The next question is on the amendment moved by Mr. Gray. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 85, as amended carry?

Some hon. Members: On division.

Clause 1, section 85, as amended, agreed to.

The Deputy Chairman: Shall section 86 carry?

Some hon. Members: On division.

Clause 1, section 86, agreed to.

The Deputy Chairman: The question is on section 87 which is found at page 204 of the bill and on which there are two amendments, one by Mr. O'Connell, which is found in *Hansard* at page 9608 and another from Mr. Gray, which is found in *Hansard* at pages 8943 and 8944. Shall the amendment moved by Mr. Gray carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall the amendment moved by Mr. O'Connell carry?

Some hon. Members: On division.

Amendment (Mr. O'Connell) agreed to.

The Deputy Chairman: Shall section 87, as amended, carry?

Some hon. Members: On division. Clause 1, section 87, as amended, agreed to.

• (7:10 p.m.)

The Deputy Chairman: The question is on section 88 which can be found at page 221 of the bill and on which there is an amendment by Mr. Gray which appears at page 8944 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 88 as amended carry?

Some hon. Members: On division.

Clause 1, section 88, as amended, agreed to.

The Deputy Chairman: The question is on section 89 which is found on page 223 of the bill and on which there are two amendments, one by Mr. Gray, to be found in *Hansard* at pages 8944 and 8945 and another by Mr. Macdonald (Rosedale), found in *Hansard* at page 9158. Shall the amendment of Mr. Macdonald (Rosedale) carry?

Some hon. Members: On division.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Deputy Chairman: Shall the amendment of Mr. Gray carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall clause 1, section 89, as amended, carry?

Some hon. Members: On division.

Clause 1, section 89, as amended, agreed to.

The Deputy Chairman: The question is on section 90 which is found at page 234 of the bill. Shall section 90 carry?

Some hon. Members: On division.

[*Translation*]

Mr. Rondeau: Mr. Chairman, on a point of order. Could you slow down for a few minutes?

Mr. Lambert (Edmonton West): You should have studied that before today.

[*English*]

The Deputy Chairman: The question has just been put on section 90. Shall the section carry?

Some hon. Members: On division.

Clause 1, section 90, agreed to.

The Deputy Chairman: The question is on section 91 which is to be found at page 235 of the bill. Shall section 91 carry?

Some hon. Members: On division.

Clause 1, section 91, agreed to.

The Deputy Chairman: The question is on section 92 which can be found at page 236 of the bill and on which there is an amendment by Mr. Gray to be found in *Hansard* at page 8945. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall clause 1, section 92, as amended, carry?

Some hon. Members: On division.

Clause 1, section 92, as amended, agreed to.

Income Tax Act

The Deputy Chairman: The question is on section 93 which is found at page 238 of the bill. Shall section 93 carry?

Some hon. Members: On division.

Clause 1, section 93, agreed to.

The Deputy Chairman: The question is on section 94 which appears at page 240 of the bill. Shall the section carry?

Some hon. Members: On division.

Clause 1, section 94, agreed to.

The Deputy Chairman: The question is on section 95 which is found at page 241 of the bill. Shall the section carry?

Some hon. Members: On division.

Clause 1, section 95, agreed to.

The Deputy Chairman: The question is on section 96 which appears at page 246 of the bill. Shall section 96 carry?

Some hon. Members: On division.

Clause 1, section 96, agreed to.

The Deputy Chairman: The question is on section 97 which appears at page 248 of the bill. Shall section 97 carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Clause 1, section 97, agreed to: Yeas, 151; nays, 14.

The Deputy Chairman: The question is on section 98 which is found at page 250 of the bill and on which there are two amendments, one by Mr. Macdonald (Rosedale), which appears at page 9158 of *Hansard* and one by Mr. Gray, which appears at page 8945 of *Hansard.* Shall the amendment of Mr. Gray carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: The next question is on the amendment moved by Mr. Macdonald (Rosedale). Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Deputy Chairman: The question is on section 98, as amended. Shall the section as amended carry?

Some hon. Members: On division.

Clause 1, section 98, as amended, agreed to.

The Deputy Chairman: The question is on section 99 which appears at page 256 of the bill. Shall section 99 carry?

Some hon. Members: On division.

Clause 1, section 99, agreed to.

[The Deputy Chairman.]

The Deputy Chairman: The question is on section 100 which appears at page 257 of the bill. Shall section 100 carry?

Some hon. Members: On division.

Clause 1, section 100, agreed to.

The Deputy Chairman: The question is section 101 which appears at page 258 of the bill. Shall section 101 carry?

An hon. Member: No.

The Deputy Chairman: The Chair heard "No". Is the section carried on division?

Some hon. Members: On division.

Clause 1, section 101, agreed to.

The Deputy Chairman: The question is on section 102 which appears at page 259 of the bill. Shall section 102 carry?

Clause 1, section 102, agreed to.

• (7:20 p.m.)

The Deputy Chairman: The next question is on section 103, found at page 259 of the bill. Shall section 103 carry?

Some hon. Members: On division.

Clause 1, section 103, agreed to.

The Deputy Chairman: The next question is on section 104, found at page 260 of the bill. The Minister of National Revenue has moved an amendment to this section, as reported in *Hansard* at pages 8945, 8946 and 8947. Shall the amendment carry?

Amendment (Mr. Gray) agreed to: Yeas, 197; nays 52.

The Deputy Chairman: Before I put the question on section 104 as amended, may I ask hon. members of the committee to co-operate with the Chair. I invite hon. members to stay in their seats while a vote is being taken. Even after an hon. member has been counted he should stay in his seat until the voting is completed; otherwise great difficulties are created for the Chair and for others in this committee.

Shall section 104, as amended, carry?

An hon. Member: On division.

Clause 1, section 104, as amended, agreed to.

The Deputy Chairman: The next question is on section 105, appearing on page 270 of the bill. Shall section 105 carry?

An hon. Member: On division.

Clause 1, section 105, agreed to.

The Deputy Chairman: The next question is on section 106, appearing on page 270 of the bill. The Minister of National Revenue has moved an amendment to this section, as indicated at page 8947 of *Hansard.* Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 106, as amended, carry?

Some hon. Members: On division.

Clause 1, section 106, as amended, agreed to.

The Deputy Chairman: The next question is on section 107, found on page 271 of the bill. The Minister of National Revenue has moved an amendment to this section, as recorded at page 8947 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 107, as amended, carry?

Some hon. Members: On division.

Clause 1, section 107, as amended, agreed to.

The Deputy Chairman: The next question is on section 108, found at page 274 of the bill. The Minister of National Revenue has moved an amendment to section 108, as recorded in *Hansard* at pages 8947 and 8948. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 108, as amended, carry?

Some hon. Members: On division.

Clause 1, section 108, as amended, agreed to.

The Deputy Chairman: The next question is on section 111, appearing on page 289 of the bill. The Minister of National Revenue has moved an amendment to this section, as recorded at page 8948 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 111, as amended, carry?

Some hon. Members: On division.

Clause 1, section 111, as amended, agreed to.

The Deputy Chairman: The next question is on section 112, found at page 293 of the bill. The Minister of National Revenue moved an amendment to this section, as recorded in *Hansard* at page 8948. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 112, as amended, carry?

Some hon. Members: On division.

Clause 1, section 112, as amended, agreed to.

The Deputy Chairman: The next question is on section 113, found at page 295 of the bill. The Minister of National Revenue moved an amendment to this section, as recorded at page 8948 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 113, as amended, carry?

Some hon. Members: On division.

Clause 1, section 113, as amended, agreed to.

The Deputy Chairman: The next question is on section 114, found at page 298 of the bill. Shall section 114 carry?

An hon. Member: On division.

Clause 1, section 114, agreed to.

The Deputy Chairman: The next question is on section 115, found at page 299 of the bill. The Minister of National Revenue moved an amendment to section 115, as recorded in *Hansard* at pages 8948 and 8949. Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Gray) agreed to.

Clause 1, section 115, as amended, agreed to.

The Deputy Chairman: The next question is on section 116, found at page 302 of the bill. The Minister of National Revenue has moved an amendment to this section, as recorded at page 8949 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 116, as amended, carry?

Some hon. Members: On division.

Clause 1, section 116, as amended, agreed to.

The Deputy Chairman: The next question is on section 121, appearing at page 321 of the bill. Shall section 121 carry?

Some hon. Members: No.

• (7:30 p.m.)

Clause 1, section 121, agreed to: Yeas, 128; nays, 10.

Clause 1, section 122, agreed to: Yeas, 155; nays, 5.

Clause 1, section 123, agreed to: Yeas, 146; nays, 19.

The Deputy Chairman: Order, please. I again invite hon. members to co-operate as much as possible with the Chair and the committee. I hope hon. members will not move around the chamber while votes are being taken.

Mr. MacInnis: I rise on a point of order, Mr. Chairman. It is very obvious that each time the Chair speaks about order being maintained, he is directing his remarks to this side of the chamber.

Some hon. Members: Oh, oh!

Mr. MacInnis: This is despite the fact that the Minister of Labour walked in during the last vote, which was very obvious to the Chair, and nothing was said.

Some hon. Members: Hear, hear!

Mr. Crouse: No respect for the vote.

Mr. McGrath: Grit arrogance.

Some hon. Members: Shame.

• (7:40 p.m.)

The Deputy Chairman: Order. I would remind hon. members that it is the duty of the Chair to keep order, and that this can only be done with the co-operation of the committee. There is no intention to point to individual members unless they do something which is completely irregular. I am simply asking for co-operation. I am not directing my comments to one side or the other. Shall section 124 carry?

Some hon. Members: On division.

Clause 1, section 124, agreed to.

The Deputy Chairman: Next we have section 125, to which an amendment has been moved by Mr. Gray. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 125, as amended, carry?

Some hon. Members: No.

Clause 1, section 125, as amended, agreed to: Yeas, 135; nays, 39.

The Deputy Chairman: The next question is on section 127. There is an amendment to this section in the name of Mr. Gray which is to be found at page 8949 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 127, as amended, carry?

Some hon. Members: On division.

Clause 1, section 127, as amended, agreed to.

The Deputy Chairman: The next question is on section 129, to which there is an amendment in the name of Mr. Gray, to be found in *Hansard* at pages 8949 and 8950. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 129, as amended, carry?

Some hon. Members: On division.

Clause 1, section 129, as amended, agreed to.

[Mr. MacInnis.]

The Deputy Chairman: The next question is on section 130. There is an amendment in the name of Mr. Gray. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 130, as amended, carry?

Some hon. Members: On division.

Clause 1, section 130, as amended, agreed to.

The Deputy Chairman: The next question is on section 131, to which there is an amendment in the name of Mr. Gray, to be found at page 8950 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 131, as amended, carry?

Some hon. Members: On division.

Clause 1, section 131, as amended, agreed to.

The Deputy Chairman: The next question is on section 132, to which there is an amendment in the name of Mr. Gray which appears in *Hansard* at page 8950. Shall the amendment carry?

Mr. McCleave: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 132, as amended, carry?

Mr. McCleave: On division.

Clause 1, section 132, as amended, agreed to.

The Deputy Chairman: The next question is on section 133, to which there is an amendment in the name of Mr. Gray. Shall the amendment carry?

Mr. McCleave: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 133, as amended, carry?

An hon. Member: On division.

Clause 1, section 133, as amended, agreed to.

The Deputy Chairman: Now we are on section 134, to which there is an amendment in the name of Mr. Gray. Shall the amendment carry?

Amendment (Mr. Gray) agreed to.

Clause 1, section 134, as amended, agreed to.

The Deputy Chairman: The question is on section 141. Shall section 141 carry?

Some hon. Members: On division.

Clause 1, section 141, agreed to.

The Deputy Chairman: We have now reached section 142, to which there is an amendment in the name of Mr.

Gray, which can be found in *Hansard* at page 8954. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 142, as amended, carry?

Some hon. Members: On division.

Clause 1, section 142, as amended, agreed to.

The Deputy Chairman: The next question is on section 143. Shall section 143 carry?

Some hon. Members: On division.

Clause 1, section 143, agreed to.

• (7:50 p.m.)

The Deputy Chairman: The next question is on section 163 which appears at page 435 of the bill. Shall section 163 carry?

Some hon. Members: On division.

Mr. Alkenbrack: A point of order, Mr. Chairman. Is this the section that was stood on November 17, the one prescribing penalties?

The Deputy Chairman: The Chair is not in a position to answer that question.

Mr. Alkenbrack: The parliamentary secretary agreed to stand this section on November 17. Have any amendments been made to it?

Mr. Benson: No.

Clause 1, section 163, agreed to.

The Deputy Chairman: The next question is on section 184 which appears at page 454 of the bill. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

Clause 1, section 184, as amended, agreed to.

The Deputy Chairman: The next question is on section 186 which appears at page 454 of the bill and to which there is an amendment by the Minister of National Revenue which may be found at page 8956 of *Hansard.* Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 186, as amended, carry?

Some hon. Members: On division.

Clause 1, section 186, as amended, agreed to.

The Deputy Chairman: The next question is on section 188 which is found at page 457 of the bill. Shall section 188 carry?

Some hon. Members: On division.

Clause 1, section 188, agreed to.

The Deputy Chairman: The next question is on section 189, which is found at page 458 of the bill and to which there is an amendment by the Minister of National Revenue which appears in *Hansard* at page 8956.

Amendment (Mr. Gray) agreed to.

Clause 1, section 189, as amended, agreed to.

The Deputy Chairman: The next question is on section 190, which appears at page 463 of the bill. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 190, as amended, carry?

Some hon. Members: On division.

Clause 1, section 190, as amended, agreed to.

The Deputy Chairman: The next question is on section 192 which appears at page 465 of the bill and to which there is an amendment by the Minister of State, found in *Hansard* at pages 9608 and 9609. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. O'Connell) agreed to.

The Deputy Chairman: Shall section 192, as amended, carry?

Some hon. Members: On division.

Clause 1, section 192, as amended, agreed to.

The Deputy Chairman: The next question is on section 194, which is found at page 476 of the bill and to which there are two amendments, the first by the Minister of State, found in *Hansard* at page 9609, the second by the Minister of National Revenue, found in *Hansard* at page 8957. Shall the first amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall the second amendment carry?

Some hon. Members: On division.

Amendment (Mr. O'Connell) agreed to.

The Deputy Chairman: Shall section 194, as amended, carry?

Some hon. Members: On division.

Clause 1, section 194, as amended, agreed to.

The Deputy Chairman: The next question is on section 196 which appears at page 479 of the bill. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 196, as amended, carry?

Some hon. Members: On division.

Clause 1, section 196, as amended, agreed to.

The Deputy Chairman: The next question is on section 212 which is found at page 500 of the bill and to which there is an amendment by the Minister of National Revenue, found in *Hansard* at pages 8958 and 8959. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 212, as amended, carry?

Some hon. Members: On division.

Clause 1, section 212, as amended, agreed to.

The Deputy Chairman: The next question is on section 213 which appears at page 511 of the bill. Shall section 213 carry?

Some hon. Members: On division.

Clause 1, section 213, agreed to.

The Deputy Chairman: The next question is on section 214 which is found at page 512 of the bill. Shall section 214 carry?

Some hon. Members: On division.

Clause 1, section 214, agreed to.

The Deputy Chairman: The next question is on section 215 which is found at page 516 of the bill. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Gray) agreed to.

Clause 1, section 215, as amended, agreed to.

The Deputy Chairman: The next question is on section 216 which is found at page 518 of the bill. Shall section 216 carry?

Clause 1, section 216, agreed to.

The Deputy Chairman: The next question is on section 217, which is found at page 521 of the bill. Shall section 217 carry?

Clause 1, section 217, agreed to.

The Deputy Chairman: The next question is on section 218 which appears at page 522 of the bill. Shall section 218 carry?

Some hon. Members: On division.

Clause 1, section 218, agreed to.

• (8:00 p.m.)

The Deputy Chairman: The next question is on section 219 which appears at page 543 of the bill. There is an amendment by the Minister of National Revenue to be found at page 8959 of *Hansard*. Shall the amendment carry?

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 219, as amended, carry?

Clause 1, section 219, as amended, agreed to.

[The Deputy Chairman.]

The Deputy Chairman: The next question is on section 235 which appears at page 547 of the bill. There is an amendment by the hon. member for Edmonton West which is to be found at page 10191 of *Hansard*. Shall the amendment carry?

Mr. Alkenbrack: Mr. Chairman, would the Chair be good enough to read this amendment.

The Deputy Chairman: The hon. member for Edmonton West moved:

That subsection 235(1) at page 547 be amended by deleting in line 22 the figures 221 and substituting therefor 221(1).

Shall the amendment carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Amendment (Mr. Lambert, Edmonton West) negatived: Yeas, 44; nays, 127.

The Deputy Chairman: I declare the amendment lost. The question is now on section 235. Shall section 235 carry?

An hon. Member: On division.

Clause 1, section 235, agreed to.

The Deputy Chairman: The next question is on section 239 which appears at page 549 of the bill. There is an amendment by the hon. member from Edmonton West, to be found at page 10029 of *Hansard*. Shall the amendment carry?

Mr. Lambert (Edmonton West): Read it.

The Deputy Chairman: For the benefit of hon. members, the hon. member for Edmonton West moved:

That clause 1, subsection 239(1)(g) be amended (a) by deleting the words "two years" in line 39 at page 549 and substituting the words "five years" and (b) by deleting the whole of subsection (2) thereof and renumbering the following subsections accordingly.

Shall the amendment carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Amendment (Mr. Lambert, Edmonton West) negatived: Yeas, 45; nays, 118 .

The Deputy Chairman: I declare the amendment lost. The question is now on section 239. Shall section 239 carry?

An hon. Member: On division.

Clause 1, section 239, agreed to.

The Deputy Chairman: The next question is on section 243, to be found at page 554 of the bill. Shall section 243 carry?

An hon. Member: On division.

Clause 1, section 243, agreed to.

The Deputy Chairman: The next question is on section 245, to be found at page 560 of the bill. There is an amendment by the Minister of National Revenue, to be

found at page 8960 of *Hansard*. Shall the amendment carry?

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall section 245, as amended, carry?

Clause 1, section 245, as amended, agreed to.

• (8:10 p.m.)

The Deputy Chairman: The next question is on section 246. Shall the section carry?

Some hon. Members: On division.

Clause 1, section 246, agreed to.

The Deputy Chairman: The question is on section 247. Shall the section carry?

Some hon. Members: On division.

Clause 1, section 247, agreed to.

Clause 1, section 253, agreed to.

The Deputy Chairman: The question is on section 255. Shall the section carry?

Some hon. Members: On division.

Clause 1, section 255, agreed to.

The Deputy Chairman: The next question is on section 256, to which there is an amendment by the Minister of National Revenue.

Shall the amendment carry?

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall the section as amended carry?

Some hon. Members: On division.

Clause 1, section 256, as amended, agreed to.

The Deputy Chairman: The next question is on section 257, to which there is an amendment by the Minister of National Revenue. Shall the amendment carry?

Amendment (Mr. Gray) agreed to.

The Deputy Chairman: Shall the section as amended carry?

Some hon. Members: On division.

Clause 1, section 257, as amended, agreed to.

The Chairman: The question now is on clause 1, as amended. Shall clause 1 carry?

Clause 1, as amended, agreed to: Yeas, 160; nays, 63.

Clause 2 agreed to: Yeas, 165; nays, 16.

Clauses 3 and 4 agreed to.

• (8:20 p.m.)

The Chairman: Shall the schedule to clause 4 which appears on page 598 carry?

Some hon. Members: On division.

Schedule to clause 4 agreed to.

Clause 5 agreed to.

Clause 6 agreed to: Yeas, 192; nays, 48.

The Chairman: I declare subclause 6 carried.

Mr. Knowles (Winnipeg North Centre): I rise on a point of order, Mr. Chairman. Perhaps you will enjoy being corrected. It is not a subclause. We finally got through them. It is clause 6.

The Chairman: I beg the hon. member's pardon. That is correct. The question is on clause 6.1. There is an amendment thereto by Mr. Macdonald (Rosedale), appearing at page 9959, of *Hansard*. Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Shall clause 6.1 as amended carry?

Some hon. Members: Carried.

Mr. Benson: On a point of order, Mr. Chairman, the amendment to clause 6 is clause 6.1.

Clause 6.1 agreed to.

Clauses 7 to 9 inclusive agreed to.

The Chairman: The question is on clause 9.1 which is in fact an amendment by Mr. Macdonald (Rosedale), appearing at page 9159 of *Hansard*. Shall clause 9.1 carry?

Some hon. Members: On division.

Clause 9.1 agreed to.

The Chairman: The question is on clause 10 which appears at page 600 of the bill. There is an amendment to clause 10, by Mr. Macdonald (Rosedale). It appears at pages 9159 and 9160 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Shall clause 10 as amended carry?

Some hon. Members: On division.

Clause 10, as amended, agreed to.

The Chairman: The question is on clause 11, found at page 601 of the bill. The amendment, in the name of Mr. Macdonald (Rosedale), appears in *Hansard* at page 9160. The question is on the amendment to clause 11. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Shall clause 11 as amended carry?

Some hon. Members: On division.

Clause 11, as amended, agreed to.

The Chairman: Shall clause 12 carry?

Some hon. Members: On division.

Clause 12 agreed to.

Clause 13 agreed to.

Clause 14 agreed to: Yeas, 161; nays, 16.

• (8:30 p.m.)

The Chairman: The question is on clause 15 which appears at page 603 of the bill. Shall clause 15 carry?

Clause 15 agreed to.

The Chairman: The question is on clause 16 which appears at page 603 of the bill. Shall the clause carry?

Clause 16 agreed to.

The Chairman: The question is on clause 17 which appears on page 604 of the bill. Shall clause 17 carry?

Clause 17 agreed to.

The Chairman: The question is on clause 18 which appears at page 605 of the bill. Shall clause 18 carry?

Some hon. Members: On division.

Clause 18 agreed to.

The Chairman: The question is on an amendment to clause 19, moved by Mr. Macdonald (Rosedale), which appears at page 9160 of *Hansard.* Clause 19 appears at page 607 of the bill. The question is on the amendment to clause 19. Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 19, as amended, agreed to.

The Chairman: The question is on an amendment to clause 20. Clause 20 appears at page 607 of the bill. The amendment, in the name of Mr. Macdonald (Rosedale), appears at page 9160 of *Hansard.* Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 20, as amended, agreed to.

The Chairman: The question is on clause 21 which appears at page 614 of the bill. Shall clause 21 carry?

Some hon. Members: On division.

Clause 21 agreed to.

The Chairman: The question is on an amendment to clause 22. Clause 22 appears at page 615 of the bill. The amendment, in the name of Mr. Macdonald (Rosedale), appears in *Hansard* at pages 9160 and 9161. Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 22, as amended, agreed to.

The Chairman: The question is on an amendment to clause 23. Clause 23 appears at page 615 of the bill. The amendment, in the name of Mr. Macdonald (Rosedale), appears at page 9161 of *Hansard.* The question is on the amendment. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Shall clause 23, as amended, carry?

Some hon. Members: On division.

Clause 23, as amended, agreed to.

[The Chairman.]

The Chairman: The question is on clause 24 which appears at page 619 of the bill. Shall clause 24 carry?

Some hon. Members: On division.

Clause 24 agreed to.

The Chairman: The question is on clause 25 which appears at page 619 of the bill. Shall clause 25 carry?

Some hon. Members: On division.

Clause 25 agreed to.

The Chairman: The question is on an amendment to clause 26. Clause 26 appears at page 619 of the bill and the amendment, in the name of Mr. Macdonald (Rosedale), appears in *Hansard* at page 9161, 9162, 9163, 9164 and 9165. The question is on the amendment to clause 26. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Shall clause 26, as amended, carry?

Some hon. Members: On division.

Clause 26, as amended, agreed to.

The Chairman: The question is on clause 27 which appears at page 628 of the bill.

Clause 27 agreed to.

The Chairman: The question is on clause 28 which appears at page 628 of the bill. Shall clause 28 carry?

Some hon. Members: On division.

Clause 28 agreed to.

The Chairman: The question is on an amendment to clause 29. Clause 29 appears at page 629 of the bill. The amendment, in the name o fMr. Macdonald (Rosedale), appears at page 9165 of *Hansard.* Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Agreed.

Some hon. Members: No.

Clause 29, as amended, agreed to: Yeas, 145; nays, 18.

The Chairman: The question is on clause 30 which appears at page 652 of the bill.

Clause 30 agreed to.

The Chairman: The question is on clause 31 which appears at page 653 of the bill.

Clause 31 agreed to.

The Chairman: The question is on an amendment to clause 32. Clause 32 appears at page 653 of the bill. The amendment, in the name of Mr. Macdonald (Rosedale), appears at page 9165 of *Hansard*. Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 32, as amended, agreed to.

• (8:40 p.m.)

The Chairman: The question is on the amendment to clause 33 standing in the name of the Minister of National Defence, as recorded at page 9165 of *Hansard*.

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 33, as amended, agreed to.

The Chairman: The question is on the amendment to clause 34 standing in the name of the Minister of National Defence, as recorded at page 9165 of *Hansard*. Shall the amendment carry?

Some hon. Members: On division.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Shall clause 34, as amended, carry?

Some hon. Members: On division.

Clause 34, as amended, agreed to.

The Chairman: The question is on the amendment to clause 35 standing in the name of the Minister of National Defence, as found on page 9165 of *Hansard*. Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Shall clause 35, as amended, carry?

Some hon. Members: On division.

Clause 35, as amended, agreed to.

Clauses 36 and 37 agreed to.

The Chairman: The question is on clause 38. Shall clause 38 carry?

Mr. Lambert (Edmonton West): On division.

Clause 38 agreed to.

The Chairman: The question is on clause 39. Shall clause 39 carry?

Mr. Lambert (Edmonton West): On division.

Clause 39 agreed to.

The Chairman: The question is on clause 40. Shall clause 40 carry?

Some hon. Members: On division.

Clause 40 agreed to.

Clauses 41 to 48 inclusive agreed to.

The Chairman: The question is on the amendment to clause 49 standing in the name of the Minister of National Defence, as recorded in *Hansard* at pages 9165 and 9166. Shall the amendment carry?

Amemdment (Mr. Macdonald, Rosedale) agreed to.

Clause 49, as amended, agreed to.

The Chairman: The question is on the amendment to clause 50 standing in the name of the Minister of National Defence, as recorded in *Hansard* at page 9166.

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 50, as amended, agreed to.

The Chairman: The question is on the amendment to clause 51 standing in the name of the Minister of National Defence, as found in *Hansard* at page 9166.

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 51, as amended, agreed to.

Clauses 52 to 57 inclusive agreed to.

The Chairman: Clauses 57.1 and 58 have been carried. The question is on the amendment to clause 59 standing in the name of the Minister of National Defence, as recorded in *Hansard* at pages 9168 and 9169.

Amendment (Mr. Macdonald, Rosedale) agreed to.

The Chairman: Shall clause 59, as amended, carry?

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

Clause 59, as amended, agreed to.

• (8:50 p.m.)

Clauses 60 and 61 agreed to.

The Chairman: The question is on an amendment to clause 62. Clause 62 may be found at page 696 of the bill. The amendment, standing in the name of Mr. Macdonald (Rosedale) may be found at page 9169 of *Hansard*. The question is on the amendment. Shall the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 62, as amended, agreed to.

Clauses 63 and 64 agreed to.

The Chairman: The question is on clause 64.1. An amendment, in the name of Mr. Macdonald (Rosedale) appears at page 9169 of *Hansard*. It is apparently a new clause. Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 64.1, as amended, agreed to.

The Chairman: The question is on clause 64.2. It, again, is a new clause. The amendment stands in the name of Mr. O'Connell. It appears at page 9609 of *Hansard*. Shall the amendment carry?

Amendment (Mr. O'Connell) agreed to.

Clause 64.2, as amended, agreed to.

The Chairman: The question is on clause 65. The amendment, standing in the name of Mr. O'Connell, is found at page 9609 of *Hansard*. Shall the amendment carry?

Amendment (Mr. O'Connell) agreed to.

Clause 65, as amended, agreed to.

The Chairman: The question is on clause 65.1. Again, it is a new clause. It is an amendment standing in the name

of Mr. Macdonald (Rosedale) and may be found at page 9170 of *Hansard*. Shall the amendment carry?

Amendment (Mr. Macdonald, Rosedale) agreed to.

Clause 65.1, as amended, agreed to.

Clauses 66 to 76 inclusive agreed to.

The Chairman: Shall the title carry?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise on a point of order. I am not rising to ask if it is now time to eat, but rather to ask if this bill, as amended, will be reprinted before it is called for third reading.

The Chairman: Order, please. With respect to the hon. member for Winnipeg North Centre, I think this is something that Mr. Speaker should deal with when he is in the chair. The hon. member can raise the point at that time. Shall the title carry?

Some hon. Members: Agreed.

An hon. Member: On division.

Title agreed to.

• (9:00 p.m.)

Mr. McGrath: I rise on a point of order. I object to the procedure we have followed this evening. I think it is a farce. I want my objection to be noted in *Hansard*.

Some hon. Members: Hear, hear!

Mr. Bell: We want Walter Gordon back.

The Chairman: Shall the bill, as amended, carry?

Some hon. Members: Carried.

Some hon. Members: No.

The Chairman: All those in favour of the bill as amended will please rise. All those against will please rise.

Bill as amended agreed to: Yeas, 122; nays, 67.

The Chairman: I declare the bill as amended carried.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

The Chairman: Shall I report the bill?

Mr. Baldwin: No.

The Chairman: All those in favour of reporting the bill will please rise. All those against will please rise.

Bill to be reported agreed to: Yeas, 122; nays, 64.

Bill reported.

Some hon. Members: Hear, hear!

Mr. Benson moved that the bill be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time?

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before you put the question as to when the bill shall be read the third time may I raise a point of order that I sought to raise when we were in committee of the whole. In view of the established practice under which bills which have been amended substantially are reprinted before third reading, may I ask if arrangements will be made for this bill, which has been substantially amended, to be reprinted before it is called for third reading?

Mr. Speaker: In view of the request of the hon. member, obviously an order will be made to that effect and a reprint of the bill will be available to hon. members before third reading is reached, whenever that is.

It being after six o'clock, this House stands adjourned until Thursday, December 9, 1971, at two o'clock p.m.

At 9.12 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 9, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

CONSUMER AFFAIRS

TOY TESTING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S. O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I rise under the provisions of Standing Order 43 to ask the unanimous consent of the House to move the following motion, seconded by the hon. member for St. John's East (Mr. McGrath):

That in view of the decision of various toy manufacturers in Canada to stop having their toys tested by the Toy Testing Council and in view of the cutting off of all funds to this valuable body and the vital consumers' interest therein, that this House do direct the Minister of Consumer and Corporate Affairs to meet with the toy manufacturers and to express to them the wish of this House that they continue to have a format whereby their toys are tested, and further, that he request Information Canada to continue printing the toy safety evaluation issued last year, and finally, that this House call on the Standing Committee on Health, Welfare and Social Affairs to meet immediately to consider the entire matter of toy safety standards so that it might be looked into and discussed at this peak toy-buying period.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Egmont. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion cannot be put.

* * *

FAMILY INCOME SECURITY

GOVERNMENT INTENTION RESPECTING BILL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I wish to make a motion under Standing Order 43 in a matter of urgency. The government of Canada has been misleading the people of Canada into false hopes about a family income security plan.

Some hon. Members: Hear, hear!

Mr. Marshall: The white paper on income security in 1970 declared a target date of September, 1971. Bill C-264 declared a target date of May, 1972. Since it is obvious that these declarations are ambiguous and misleading I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That the Minister of National Health and Welfare be directed to appear before the Standing Committee on Health, Welfare and Social Affairs to state the government's position and intentions with regard to Bill C-264.

An hon. Member: Or resign.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

PILOTAGE

TABLING OF FINAL REPORT OF COMMISSION

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in the two official languages the fifth and final report of the Royal Commission on Pilotage—Study of Canadian Pilotage, Great Lakes System.

ORAL QUESTION PERIOD

BROADCASTING

EDUCATIONAL PROGRAMMING—NEGOTIATIONS WITH PROVINCES ON LICENSING OF STATIONS—DETERMINATION OF CONTENT—REVOKING OF LICENCES OF PROVINCIAL AGENCIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Secretary of State who has made statements to the press that he has a mandate from the cabinet to pursue negotiations with the provinces on the subject of licensing broadcasting stations to broadcast educational material. In view of the confusion and vaccilation in the last couple of years on this whole subject, can the minister indicate briefly to the House the specific scope of his mandate from the government in this area?

• (2:10 p.m.)

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I think, Mr. Speaker, that I can resume it rather briefly.

Some Canadian provinces, especially Alberta, Ontario and Quebec approached us many months ago. The cabinet has studied the matter and has asked me to meet the provincial ministers concerned in order to consider the possibility of making a new arrangement. The cabinet has also stated three conditions which would be set by the federal government, providing an agreement acceptable to the provinces and ourselves would finally be reached.

The first condition is that the authority of the CRTC and the jurisdiction of the federal government in the broadcasting field remain complete. In the second place, the stations which would air educational programs in the provinces would have to comply with the definition of educational broadcasting drawn up, in agreement with the ten provinces, two years ago. The third is that the licences would not be delivered by a provincial government or one of its departments, but as it is done at the federal level, by a body independent of the provincial executive.

[*English*]

Mr. Stanfield: In these negotiations is it contemplated that one of the conditions shall be that the CRTC will be the judge of what is considered to be educational content that might be broadcast by one of these stations licensed under this proposal?

[*Translation*]

Mr. Pelletier: That is to say, Mr. Speaker, that the CRTC would have no judgment to pass on the quality since the definition of educational television has already been accepted by the provinces. The CRTC would only pass judgment on facts, that is to say, it would merely say whether such and such an educational program is, I say it again, generally different from ordinary broadcasts.

[*English*]

Mr. Stanfield: Since these negotiations contemplate the rescinding of the directive issued by the government in June, 1970, I think, which directed that there should be no renewal of these licences to stations which were in fact provincial agencies for educational purposes, is the government prepared to revoke that directive now so that these stations will not have this axe hanging over their heads and bargaining can proceed in good faith?

[*Translation*]

Mr. Pelletier: Mr. Speaker, we are seeking a solution so that the stations that the Leader of the Opposition is referring to may continue to transmit radio programs; this is indeed in the field of radio only. I do not believe however that it should be through educational TV that we may solve the problem of these radio stations. One of the complications is that they are not really transmitting educational radio programs, but general broadcasting of a cultural nature.

But efforts to find a solution allowing these stations, connected with universities, to keep on broadcasting have not ceased. The CRTC and we ourselves are still trying to find it.

[*English*]

Mr. Stanfield: A further supplementary question, Mr. Speaker.

[Mr. Pelletier.]

Mr. Speaker: Order, please. The Chair will recognize the Leader of the Opposition, of course. I suggest, however, that perhaps we ought to go to the next subject in a moment because we are spending perhaps a bit too long on this subject.

Mr. Stanfield: Mr. Speaker, may I ask the Secretary of State whether it is contemplated that the CRTC will revoke the licence of any station which is considered to be a provincial agency that is broadcasting matter which, in the judgment of the CRTC, is of a cultural rather than of an educational nature?

[*Translation*]

Mr. Pelletier: Mr. Speaker, the CRTC must make judgments. Licences issued under this new policy would include conditions related to broadcasting and the CRTC would have to ensure that these conditions are met as it is doing in the case of the CBC or any other private general broadcasting station.

[*English*]

EDUCATIONAL PROGRAMMING—REASON FOR ISSUANCE OF STATION LICENCES TO PROVINCIAL AGENCIES RATHER THAN TO PROVINCES

Mr. Mark Rose (Fraser Valley West): I have a supplementary question for the Secretary of State. Does the minister feel that a violation of the Broadcasting Act, as we understand it, is avoided by making licences available to autonomous Crown corporations or agencies rather than to the provinces directly, and is that the reason this particular course has been chosen, in order to avoid the problem with the Broadcasting Act as it currently stands?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): If I understand the question I am being asked, Mr. Speaker, the reason for not granting licences if we finally decide to grant same, only to autonomous agencies rather than provincial governments is quite simple. It is because the federal government has never granted itself broadcasting licences but did issue some to the CBC only which has a very autonomous status in relation to the government.

EDUCATIONAL PROGRAMMING—POSSIBLE ACCEPTANCE OF LIMITATIONS BY QUEBEC

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question to the Secretary of State.

I would like to know whether he held any discussions with the Quebec Minister of Communications to acquaint him with the limitations he has just indicated to the House. Is there any agreement with the provincial government in this regard? In other words, did the province accept these limitations to which the Secretary of State has just referred and does the minister foresee any agreement between Quebec and the federal government in this respect?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I have met the Quebec Minister of Communications three times, as I have met the ministers of two other provinces

that are specially interested. We have not come to any final agreement with any of them.

[*English*]

Mr. Speaker: Order, please. There are three or four members seeking supplementaries. We have spent nearly ten minutes on one subject. If we follow the same ratio, we will have four questions during the question period. I think we might try to return to this subject in a moment.

* * *

WELFARE

REASONS FOR CANCELLATION OF GRANT TO HAMILTON WELFARE RIGHTS ORGANIZATION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the minister's action in cancelling a grant to the Hamilton welfare rights organization and in view of the desirability of our hearing directly from the disadvantaged people of this country, can the minister say why this grant was cancelled? Can the minister also say whether there are criteria or standards for these grants that could have the effect of endangering other such grants to similar organizations across the country?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, the policy with regard to giving grants to low-income people so that they can express their views still holds. I have to make certain decisions with respect to some of these grants. Whether it be Hamilton or anywhere else, where the preoccupation is rhetoric and inflammatory action that contribute to a hardening of attitudes in this country. I feel that in the long run this undermines the over-all objective of rendering useful assistance to the disadvantaged.

Mr. Knowles (Winnipeg North Centre): How does the minister square this judgment with the principle of freedom of speech?

Mr. Speaker: Order, please. This is debate.

Mr. Munro: They can still speak.

MEETING OF MINISTER AND HAMILTON WELFARE RIGHTS ORGANIZATION—SUBJECTS FOR DISCUSSION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I have a supplementary question for the Minister of National Health and Welfare. Will the minister advise whether at his meeting with the Hamilton welfare rights organization on Saturday, he will discuss the need to lay down guidelines in order to allow these groups to attain their objectives, the need for setting up more adequate liaison with the provinces and municipalities involved and the need for a means of appeal if they cannot make progress in dealing with welfare offices rather than cut off these grants unilaterally?

• (2:20 p.m.)

Hon. John C. Munro (Minister of National Health and Welfare): Many of these areas may be subject matters for discussion. I cannot say exactly at this point.

Mr. Alexander: In light of the fact that the minister is now setting a precedent in trying to ascertain what can be done in this area and since the municipalities, generally speaking, have not been brought into the picture, is it the minister's intention to see to it that representatives of the Hamilton City Council are present at this meeting in Hamilton on Saturday?

Mr. Munro: I think the hon. member should be aware that not only were the municipal authorities in Hamilton advised at the time of this particular grant but, as I have said on several occasions, it is a matter of policy, in connection with these applications for grants, to consult with the local and provincial authorities.

Mr. Alexander: Perhaps the minister did not understand my question. I am asking him whether in fact he has invited representatives of the Hamilton City Council to sit with him on Saturday when he meets representatives of the welfare rights organization?

Mr. Munro: No, Mr. Speaker. Representatives of the welfare rights organization asked to see me and I said I would see them. If they want other representatives to be at that meeting, that is up to them.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

NEW BRUNSWICK—REPRESENTATIONS RESPECTING IMPROVEMENT OF FRENCH TELEVISION NETWORK

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would like to put a question to the Secretary of State.

Has he received from Mr. André Boudreau, general director of CRAN, of Bathurst, New Brunswick, a telegram stating the representations made by various French Canadian organizations in northeastern New Brunswick regarding the establishment of a French television network in that province?

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker.

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask the Secretary of State whether a study is being made or whether he gave orders to have appropriate action taken concerning the October 18 letter he received from CRAN and the Common Front of northeastern New Brunswick?

Mr. Pelletier: Mr. Speaker, a study is under way and being carried out very intensively. But the second part of the hon. member's question startles me because the Secretary of State cannot give orders to the CBC or the CRTC.

Mr. Fortin: Mr. Speaker, I would like to know whether the Secretary of State has officially made his position known to CRAN and to the Common Front with regard to that matter?

Mr. Pelletier: Mr. Speaker, I acknowledged receipt of their communications and I gave those people the same information I have just given to hon. members, that is that

the matter was being taken into consideration and that a statement would be made in the fairly near future.

* * *

[*English*]

GRAIN

PROPOSED STATIONING OF SALES PROMOTION OFFICERS IN EUROPE AND ASIA

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct a question to the minister responsible for the Wheat Board. Has the government given any consideration to the recommendation by the Canada Grains Council that there is an urgent need for market information and development officers to be stationed in European and Asian countries as a promotional force to sell Canadian grain?

Hon. Otto E. Lang (Minister of Manpower and Immigration): This and other questions related to the best method of selling grain were considered by the marketing committee of the Canadian Wheat Board and, of course, are constantly under consideration. The board is aware of this most recent recommendation and assures me it is constantly examining its position with respect to the wisdom of having persons in offices abroad.

Mr. Murta: Does the minister recognize, then, the necessity of a third force in the marketplace to promote sales of Canadian grain in countries around the world in addition to the marketing research activities presently carried out by the Canadian Wheat Board?

Mr. Lang: We are encouraging many more forces than simply a third force in our total market development. We are encouraging Canadian companies interested in the export of grain to take a variety of steps to ensure greater access to markets. We are also doing a great deal to encourage associations such as the Canadian Rapeseed Association to play an active role in the marketing of grain.

CONSIDERATION OF CHANGE IN BASIS OF PRICING

Mr. A. P. Gleave (Saskatoon-Biggar): May I ask the minister whether, in view of the specific recommendation of the mission set up by the Canada Grains Council, either the Wheat Board or he himself has under consideration the possibility of changing the basis of pricing in relation to both domestic and overseas purchases at the lower St. Lawrence ports?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I should make it clear that the mission referred to by the hon. member was financed by the government as part of its market development program. The question of home and abroad pricing was also the subject of consideration by the Wheat Board's very high-powered marketing committee which recommended no change at the present time. This is not a matter that can be settled for all time, and the Wheat Board has it under constant examination.

Mr. Gleave: Further to the pricing policy of the Canadian Wheat Board, will the minister tell the House whether or not he is asking the Canadian Wheat Board to re-evaluate its pricing methods for markets in Common Market countries and to act on the recommendations of the mission in regard to meeting seasonal changes in pricing methods by the European Economic Community—

Mr. Speaker: Order, please. I have to interrupt the hon. member because it seems to me he is making a speech rather than asking a question. I suggest to hon. members we should make an effort to try to shorten questions, and ministers should make an effort to shorten their replies. If we are to have a series of speeches during the question period, I suggest to hon. members that we will not have a very effective period. The hon. member might ask his question at this point.

Mr. Gleave: Thank you, Mr. Speaker; I am sorry if I was overly long. Is the minister going to try to meet the recommendations of the mission regarding changes in pricing policies in the Common Market under the levy system, which the mission has said were inadequate?

Mr. Lang: Mr. Speaker, many of the comments of the mission in regard to pricing and other selling activities were out of date in the sense that most of the things they recommend have in fact been implemented either as a result of government or Wheat Board action. I am satisfied with the evaluation being given by the Wheat Board which watches pricing from month to month and from place to place; I am sure the Wheat Board is doing a very competent job.

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GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENT—REQUEST FOR REPORT ON INVESTIGATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the right hon. Prime Minister. Would the Prime Minister bring the House up to date on the results of the investigation that was started several weeks ago into the leak of a draft of the Gray report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I made a report on this either yesterday or the day before; perhaps the hon. member was not here.

Mr. Stanfield: You said nothing in that report.

Mr. Hees: In view of the fact that I was here and heard the Prime Minister's non-answer, I would ask him whether it is not a fact that the reluctance of the government to make public any information regarding this investigation is due to the fact that the investigation has shown that this leak came from within cabinet ranks?

Mr. Speaker: Order, please.

Mr. Trudeau: That is not the fact, Mr. Speaker.

Mr. Hees: You had better examine your conscience on that aspect.

[*Translation*]

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—CORRESPONDENCE WITH QUEBEC RESPECTING LEGISLATIVE PRIORITY

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the hon. Minister of National Health and Welfare.

Can he tell the House whether the government of Quebec has recently made proposals concerning the family allowances plan and whether that government, in such communications, has waived the legislative priority recently demanded by the Premier of Quebec?

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not believe the issue of legislative primacy is in question at the moment in the discussions with Quebec. Rather, we are discussing the details of our legislation and theirs and how best they can be dovetailed. These discussions are being held at the official level but have not yet concluded.

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• (2:30 p.m.)

HOUSING

TORONTO—ENCOURAGEMENT OF INCREASE IN CONSTRUCTION TO PROVIDE JOBS FOR UNEMPLOYED

Mr. S. Perry Ryan (Spadina): I direct my question to the Minister of State for Urban Affairs. In light of the fact that approximately 18 per cent of Toronto's construction workers are unemployed, while the housing crisis and shortages are increasing, is the government working with the province of Ontario and metro Toronto to encourage increased construction activity and, if so, when will a statement be made?

Hon. Robert K. Andras (Minister of State for Urban Affairs): I would say that the federal government is working with the province of Ontario and putting up about 90 per cent of the funds for social housing in Toronto as well as other parts of Ontario. I fail to see much credit given to us by that government for this. I do not think there is a need for a further statement.

Mr. Ryan: Has the government worked out with the province of Ontario and with Toronto specific house construction targets for the year 1972, and is there any immediate program to get the 18 per cent of construction workers in Toronto who are unemployed back to work?

Mr. Andras: Specific budgets were allocated to the government of the province of Ontario earlier in the year and an additional share of the $113 million that was advanced from the first quarter of next year was allocated to Ontario. We would be glad to sit down and give the Ontario government the benefit of our advice as to how this could be translated into housing starts, but we will listen to their suggestions.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

TORONTO—SUGGESTED DIRECTION OF FEDERAL FINANCING TOWARD LOW-COST HOUSING TO RELIEVE SHORTAGE

Mr. Andrew Brewin (Greenwood): I have a related question for the Minister of State for Urban Affairs. In light of the statement yesterday by the president of Central Mortgage and Housing Corporation that there exists a most acute housing shortage in metropolitan Toronto and his assertion that 95 per cent of the families in that area cannot afford the new houses that are being built, will the minister announce a new policy directing the effort of federal financing of housing toward fulfilling the urgent need for low-cost housing?

Hon. Robert K. Andras (Minister of State for Urban Affairs): I do not know what the percentage is but I would estimate that about 80 per cent of federal funds under CMHC are going directly into low-cost housing and the other 20 per cent is going into infrastructure making more housing of that nature possible. This really adds up to the bulk of it now. What the Ontario government does about it is, of course, something that they have to decide.

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EXTERNAL AFFAIRS

INDIA-PAKISTAN WAR—EVACUATION OF CANADIANS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to direct my question to the right hon. Prime Minister. It arises out of events that have happened in the last 24 hours as a consequence of which India has refused to permit Canadian aircraft to remove Canadians. Does he not think, under all the circumstances and in particular the tremendous contribution made by Canada to India to assist in connection with the refugee problem, that this kind of highhanded action on the part of the Indian government calls for bringing to the attention of the Indian government the gross unfairness of the directions in this connection that have been issued by that government are totally inconsistent with our Commonwealth relationship?

Right Hon. P. E. Trudeau (Prime Minister): It is true, as I believe the Secretary of State for External Affairs said, that we have made some unsuccessful attempts to obtain clearance for the Canadian Hercules which was standing by in Thailand and which tried to evacuate foreign personnel and even perhaps some Canadian missionaries from Dacca. So far we have failed to obtain this clearance. I repeat what the minister said; we are not trying to escalate the matter yet. We are trying in every way to obtain this clearance in the east.

I might add that we have obtained clearance in the west. This very morning we obtained from the Indian government clearance, which, incidentally, we had already received from the governments of Iran, Afghanistan and Pakistan, to have a Canadian Armed Forces Boeing 707 land in Karachi to evacuate some Canadian personnel and foreign nationals from Karachi. We have not yet had another clearance, but we are hopeful of getting it, to have the same type of aircraft land in Islamabad to evacuate people from that area.

Mr. Diefenbaker: This seems like a contemptuous attitude on the part of the Indian government. I am wondering what possible excuse that government can have to treat in this way a member of the Commonwealth which has done so much for India when at the same time India is prepared to have United Nations aircraft go in. In the course of conversations with the representative of the Indian government, what fatuous excuses are given as to why Canada is treated in this way?

Mr. Speaker: Supplementary—

Mr. Diefenbaker: I ask the Prime Minister what excuses were given for this conduct which it is difficult to describe as other than comtemptuous? What explanation is given?

Mr. Trudeau: Obviously no excuse is being asked or, so far as I know, is being given except the one of the very confused situation there and that there are measures of war between two peoples in that part of the country. I repeat that our posture at this time is to ask for clearance and to do everything we can to get it. We will save any arguments on the merits of delays for some other occasion.

Mr. J. M. Forrestall (Dartmouth-Halifax East): My supplementary question is directed to the Prime Minister and it is not with respect to any expressions or comments from India. Can the Prime Minister tell us why Pan American was able to evacuate U.S. nationals, BOAC to remove British subjects, Air France to remove Swiss and New Zealand nationals, Lufthansa to remove Germans, but Canada cannot remove Canadians? What excuse or reasonable explanation does the Prime Minister have for the families of Canadian nationals who are still there with respect to our failure to remove our own people?

Mr. Trudeau: It depends to what particular airfield the hon. member is referring. I have said a moment ago—

Mr. Forrestall: Islamabad.

Mr. Trudeau: —that we have had clearance from India for airfields in West Pakistan, in which part of the country Islamabad is, as the hon. member might know.

Mr. Warren Allmand (Notre-Dame-de-Grâce): In the absence of the Secretary of State for External Affairs I direct my question to the Prime Minister. The Prime Minister has said that the Canadian government has now received clearance from the Indian government to land in West Pakistan to pick up approximately 300 Canadians who are still there. Can the Prime Minister say when the Canadian aircraft will go in to pick up these people in view of this clearance?

Mr. Trudeau: Yes, Mr. Speaker. My information was that the clearance was obtained this morning and that the aircraft will go in later today, this evening.

Mr. Heath Macquarrie (Hillsborough): I should like to ask the Prime Minister a question in respect of East Pakistan where the situation is very acute. Are there Canadian nationals there seeking evacuation and what plans has the government made for their evacuation?

[Mr. Trudeau.]

Mr. Trudeau: As I said a moment ago, the Canadian Hercules which is trying to land in Dacca would do so for the purpose of evacuating foreign personnel but also any Canadians who might want to leave. I am informed that there are perhaps several dozen Canadian missionaries in that area, but our information at this time is that they are not requesting to leave and that they are staying there. However, the aircraft will be there. We are in daily communication with New Delhi and Islamabad through our High Commissioners and we have done everything we could in both countries to inform Canadians of the danger zones and of the precautions that they should be taking in moving in particular from the northwestern part of India, the border areas. We are informing them as well of the security and evacuation methods which we are prepared to take.

Hon. Robert L. Stanfield (Leader of the Opposition): In view of the fact there are said to be some 270 Canadians in Karachi alone, can the Prime Minister indicate to us what arrangements are being made to get them out with one Boeing 707 and whether he has any explanation at all as to the confusion surrounding the attempts to get Canadians out when they were led to understand that the British would take them out and the British said they had no instructions to take them out?

• (2:40 p.m.)

Mr. Trudeau: Mr. Speaker, as to the exact number of Canadians who could be fitted into this one flight I am not in a position to say. I do know Canadians have departed by other means on their own, some by sea and some by air, and therefore I have no way of knowing if this figure given by the Leader of the Opposition is the current figure. I repeat that we have had two aircraft on standby. As recently as a few days ago the situation appeared to have deteriorated very seriously. We did send two Boeings as a matter of fact to Teheran and if they have to make two trips I am sure they will have the authority to do that.

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CONSUMER AFFAIRS

REQUEST FOR STATEMENT ON ADDITIONAL MEASURES TO DEAL WITH RISING COST OF LIVING

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact that during the life of the Prices and Incomes Commission the cost of living has gone up considerably, as emphasized by the figures released today, and in view of the fact that the commission has cost $3½ million to date with six months still to go, what other initiatives has the minister in mind for dealing with the rising cost of living?

Mr. Speaker: Order, please. The hon. member is inviting the minister to make a general statement. I would not think this should be done at this time.

Mrs. MacInnis: Mr. Speaker, may I ask the minister if he will make a general statement at the beginning of next week?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the question relates to the financial policies of the government which have been announced in various budget statements by the Minister of Finance. If there are changes in policies they will be announced in the usual way in the House.

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[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED MODIFICATION OF WEEKLY REMUNERATION CEILING

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I have a question for the Minister of Manpower and Immigration concerning the Local Initiatives Program.

Considering that under this program the maximum wages for any worker are $100 a week, while in the province of Quebec we have an arbitration committee which prescribes a salary much higher than $100 a week, would the minister instruct the municipalities and organizations concerned as to how they can include those extra wages in project estimates, in order to avoid the problem which arose in connection with the previous winter works program in the province of Quebec?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the rule is that the maximum grant which can be made is up to an average of $100 per man-week involved in the program. It is quite possible for individuals to be paid more than that within the program either because there is balancing with lower pay for other individuals or because funds are obtained from other sources than from the grant itself.

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UNEMPLOYMENT INSURANCE

ACTION TO EXPEDITE PROCESSING OF CLAIMS

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Minister of Labour similar to one asked yesterday by my colleague from Frontenac-Lennox and Addington. I have had a telegram from Mr. Monroe, the mayor of Glace Bay, asking me to inquire whether the minister's department can expedite matters with regard to unemployment insurance payments in order to ease the burden placed on the welfare rolls.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I thank the hon. gentleman for the question because it provides me with an opportunity to apologize to the hon. member for Frontenac-Lennox and Addington for my rudeness of my answer yesterday. Had I not been rude I might have been able to explain more precisely the steps we have taken to alleviate this particular problem. Beginning on the first of January it will be possible for people who are in financial embarrassment as a result of delay in their unemployment insurance cheques, not necessarily caused by the Unemployment Insurance Commission, to voluntarily assign these cheques to the welfare office so they may receive immediate assistance.

With regard to the specific question of Glace Bay, we have received such a telegram and have arranged for the regional director, Mr. George Foster, to meet with the mayor of Glace Bay at 2 o'clock in the afternoon on December 14.

Mr. MacInnis (Cape Breton-East Richmond): On a point of order, this takes me back to an issue this House and the Committee on Justice and Legal Affairs have dealt with. I understood the minister to say that as of January 1 it would be possible to voluntarily assign UIC benefit cheques. I draw your attention, Mr. Speaker, and the attention of the House to the fact that the Unemployment Insurance Act is being violated in that section 58 does not permit the assigning of unemployment insurance cheques by anyone to any other person. This was contained in the old act and it is also contained in the new act, so we have a conflicting statement by the minister.

Mr. Mackasey: Mr. Speaker, as is the hon. gentleman, I am interested in the welfare of the people for whom he has just made a case, and I can assure him that under the provisions of the Unemployment Insurance Act such a voluntary assignment is quite legal.

Mr. MacInnis: On a point of order—

Mr. Speaker: Order. I will recognize the hon. member, of course. He seeks the floor on a point of order and he has the right to be recognized. At the same time, this is debate between the hon. member and the minister rather than a point of order. This having been said, I will recognize the hon. member and remind him at the same time that we are running short of time so perhaps his point of order might be stated briefly.

Mr. MacInnis: Mr. Speaker, my point of order can be substantiated by the Committee on Justice and Legal Affairs which in its final reported quoted that section of the act. There is no doubt that the same section is contained in the new Unemployment Insurance Act, so I have the backing of your own members.

Mr. Mackasey: Mr. Speaker—

Mr. Speaker: Order, please. If the minister is rising on the point of order I have to draw his attention again to the fact that we are running short of time. The minister's reply should be brief.

Mr. Mackasey: On a point of order, Mr. Speaker, I do not question the judgment of the hon. gentleman because usually he wants to be fair, but I am wondering whether he would be satisfied if I rescinded the measure I have just mentioned so that we might resolve this matter.

Mr. Speaker: Order, please.

SUGGESTED EXTENSION OF OFFICE HOURS TO PROVIDE BENEFITS BEFORE CHRISTMAS

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I have a supplementary for the minister. Would he have the office hours of the unemployment insurance offices

extended so that more people might receive their benefits prior to Christmas?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, most people receive their unemployment insurance benefits by mail and I do not think extending the hours will be necessary. However, if there is any delay because of lack of personnel we would be glad to hire as many casuals as are needed in the interval.

* * *

REGIONAL ECONOMIC EXPANSION

SEABROOKS FROSTED FOODS LIMITED—SUGGESTED FORGIVENESS OF PART OF LOAN TO PERMIT PAYMENT OF OTHER DEBTS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion of which I have already given him notice. This question is urgent because bankruptcy proceedings I believe are under way. With regard to the fully secured loan of some $82,000 made by the Department of Regional Economic Expansion to the now bankrupt Seabrooks Frosted Foods Limited operation in New Annan, Prince Edward Island, has consideration been given to forgiving sufficient of this loan to allow debts owing to local farmers, truckers and so on to be paid in full?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): I thank the hon. member for having given me notice of his question, Mr. Speaker. Having considered the matter carefully, we came to the conclusion that, in view of the large number of creditors and the small amount involved, it would really not have been worth it to come before Parliament to distribute again the amount we had already granted.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—WRITING OF EVALUATION REPORT BY PRIVATE CONSULTING FIRM—SELECTION OF PROJECTS FOR ANALYSIS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Secretary of State. In view of the fact that the evaluation report on the Opportunities for Youth Program recently tabled in the House was carried out by a departmental task force, would the minister inform the House why the report itself was written by a private consulting firm?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, those who have been carrying on the study since the beginning of the program will themselves publish—and if the hon. member has read the introduction to the report, he will know that it says so in it—before the end of the month another report or a more thorough analysis. However, since it was necessary to give as soon as possible to the House and to the government an outline of the performance, we hired that firm which could do it more quickly than the evaluation committee which has already undertaken a longer operation.

• (2:50 p.m.)

[*English*]

Mr. Nystrom: Would the Secretary of State inform the House how the sample of 356 projects analysed in the report was selected by his departmental task force?

[*Translation*]

Mr. Pelletier: It is matter of detail, Mr. Speaker. I could send the answer later to the hon. member, but I cannot recall it for the moment.

* * *

[*English*]

EXTERNAL AFFAIRS

MEETING BETWEEN PRIME MINISTER AND PRESIDENT NIXON—DISCUSSION OF INTERNATIONAL GRAINS ARRANGEMENT AND FLOOR PRICE ON WHEAT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the right hon. Prime Minister. It is a repeat of the question I put to the right hon. gentleman yesterday. Last Wednesday I asked if he would place on his agenda for his duscussions with President Nixon the suggestion that the United States should cooperate with Canada in reactivating the International Grains Arrangement and, more particularly, the placing of a substantial floor price under wheat. Can the Prime Minister advise the House if he acted on this suggestion and, if so, what was the President's response?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I acted in the sense that I considered that, and there was no possibility of putting it on what the hon. gentleman calls the agenda. I reported to the House what subjects we did talk about, and there were very few subjects about which we talked in any great detail.

* * *

COMBINES

REQUEST FOR DELAY IN PROSECUTION OF IRVING CASE

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. Would the minister hold up the Irving prosecutions in New Brunswick until this whole matter is clarified by the new competition bill?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Without passing the buck, Mr. Speaker, answering on the progress of prosecutions is the responsibility of the Minister of Justice and Attorney General of Canada.

Mr. Bell: May I rephrase the question and address it to the Minister of Justice. Would he consider holding up the Irving prosecutions in view of the mess that has been created by the delay in proceeding with the competition bill?

Mr. Speaker: The hon. member for Simcoe North.

Mr. Bell: No, Mr. Speaker—

Mr. Speaker: Would the hon. member resume his seat. The hon. member can ask a question but I thought he was making an argument. It sounded that way to the Chair. If he asks the question directly of the Minister of Justice the minister can reply.

Mr. Bell: Will the Minister of Justice undertake to delay the Irving prosecutions in New Brunswick, his summer home?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I have a duty to enforce a statute that is valid under this Parliament.

Mr. Bell: Mr. Speaker, I wish to direct a supplementary question to the Minister of Consumer and Corporate Affairs. Why does the minister permit Southam and Thomson to go ahead with their monopoly acquisitions when he is prosecuting Irving for the very same thing in New Brunswick?

Mr. Basford: A good question.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We have reached the end of the question period but the Chair would like to be allowed to recognize the hon. member for Dauphin. I wanted to recognize him yesterday. Other hon. members who are seeking an opportunity to ask questions today were recognized yesterday, but that is not so in his case.

* * *

FINANCE

POSSIBLE CONTINUED INTERNATIONAL CURRENCY INSTABILITY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to direct a question to the Minister of Finance. Can the minister give any indication to the House whether or not the recent erratic currency realignment swings appear to have been completed, or does he anticipate further international currency instability?

Hon. E. J. Benson (Minister of Finance): I have no comment, Mr. Speaker.

* * *

GRAIN

SUGGESTED STUDY OF REGULATION OF DOMESTIC FEED GRAIN PRICES

Mr. Stan Schumacher (Palliser): Mr. Speaker, I wish to direct a question to the Minister of Manpower and Immigration in charge of the Canadian Wheat Board. Does the government intend to set up a committee, task force or commission to study and make recommendations relating to the regulation of feed grain prices on the domestic market?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, this matter of course was referred, in part at least, to the agricultural committee last year. The question is now under active examination by a number of provincial Ministers of Agriculture, and the Wheat Board and ourselves and we are co-operating in these examinations.

* * *

DRUGS

POSSIBLE RESTRICTION ON METHADONE TO ALLOW USE ONLY IN MEDICAL CLINICS

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I wish to direct a question to the Minister of National Health and Welfare. In view of the urgent fight against heroin and other hard drugs, and the galloping increase in the use of methadone which is being used as a substitute for hard drugs in medical treatment, and by drug pushers, and because of the fact that this drug is itself addictive, are any restrictions being placed on this drug allowing its use only in treatment given in clinics?

Hon. John C. Munro (Minister of National Health and Welfare): As the hon. member may be aware, Mr. Speaker, we had a conference in the latter part of last week of all the health people from the provinces, working both for governmental agencies and in the private area, to discuss the over-all problem of heroin, and methadone as part of that problem. We are now assessing the conclusions, if you like, resulting from the views that were expressed at that conference as well as the recent study conducted jointly by the Canadian Medical Association and my own department relative to methadone. We expect to formulate our conclusions on the basis of these two reports very shortly and I would hope, after consulting with some of my colleagues in other departments, to make recommendations to the government. I might add that this will also be a subject for discussion at the forthcoming health ministers' conference.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Yukon on a last supplementary.

INQUIRY AS TO FINAL REPORT OF LEDAIN COMMISSION

Mr. Erik Nielsen (Yukon): Mr. Speaker, I wish to direct a supplementary question to the Minister of National Health and Welfare. In view of his previously stated anticipation that the final report of the LeDain commission would be tabled before the end of this year, can he now state whether that anticipation will come true and, if not, when the final report will be tabled?

Hon. John C. Munro (Minister of National Health and Welfare): If the hon. member would be kind enough to ask me that question early next week, I expect to meet the chairman shortly to find out how matters are coming along.

Inquiries of the Ministry

GRAIN

REQUEST FOR TABLING OF REPORT ON RATIONALIZATION OF HANDLING AND TRANSPORTATION

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I wish to direct a question to the minister responsible for the Canadian Wheat Board. Further to the question I asked the Minister of Agriculture on November 29 concerning the tabling of the report on the rationalization of grain handling and transportation, which he took as notice, would the minister say whether or not this report will be tabled in the House so that all of us can have a look at it?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we are taking steps progressively in regard to this report and have made copies of the report available to the interested provincial governments. I cannot at this point predict when we may be able to take the next step.

Mr. Skoberg: On a question of privilege—

Mr. Speaker: Order, please. The Chair will recognize the hon. member on a question of privilege and then call orders of the day.

Mr. Skoberg: On a question of privilege, Mr. Speaker, in view of the fact that hon. members represent thousands of people across this nation, and in view of the fact that copies of this report have been made available to the railway companies, wheat pools and other interested parties, surely we as elected Members of Parliament should have access to the report so that we can truly represent the people who sent us here for better or for worse.

Mr. Speaker: The hon. member's representation is noted. Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: On a point of order, Mr. Speaker, I would like to ask the government House leader about the business for this week and next week. In particular, could he advise the House what business we will be engaged in while the other place is considering Bill C-259, and does he have any indication from his colleague, the government leader in the other place, as to the length of time that bill may be debated there in spite of the alleged assurances given by the Minister of Finance that there will be substantial amendments moved next year?

Mr. Benson: I have not given such assurances.

Mr. MacEachen: Tomorrow we will call third reading of Bill C-259 and continue with that bill next week. While that bill is in the Senate, and before plans can be made to terminate this part of the session, I would like to have Bill C-176, the marketing bill, and the budget bills dealt with. In addition, there are Bill S-9, the Northern Canada Power Commission bill and the Canadian Wheat Board bill which are at report stage and which it would be good to have passed.

Mr. Baldwin: Would the minister answer the last part of my question? Has he any indication as to the number of weeks the other place will be engaged in debating Bill C-259?

• (3:00 p.m.)

Mr. MacEachen: No, Mr. Speaker—well, I am not going to get involved in that controversy.

Mr. Speaker: I believe the hon. member for Humber-St. George's-St. Barbe has a supplementary to the point of order.

Mr. Marshall: Mr. Speaker, can the President of the Privy Council give an indication to the House when second reading of Bill C-264 will be proceeded with in view of the concern of many Canadians as well as the hope that we will be able to increase family allowance benefits by May 1, 1972?

Mr. MacEachen: Mr. Speaker, I assume the hon. member is referring to the family income security plan—not this session but it will be on the agenda for next session.

Mr. Crouse: A supplementary question, Mr. Speaker. Now that the tax reform bill has been rammed through Parliament, is it the intention of the Minister of Finance to resign before Christmas as a Christmas present to the Liberal party or is he going to wait until the new year?

Mr. Speaker: Order, please.

[*Translation*]

Mr. Valade: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The hon. member for Sainte-Marie on a point of order.

Mr. Valade: Mr. Speaker, my point of order concerns a matter of procedure.

I should like to point out to the House that on November 25 I asked the Minister of State for Urban Affairs when a complete report would be made to the House on the "Abeille" housing project. The minister indicated that he would soon advise the House of the results of that investigation.

Now, when a minister agrees to table a report and does not do so within a reasonable time limit we have to ask him about it during the oral question period and that procedure, which is normal and in order, deprives us from the opportunity of asking other more pertinent questions. To my mind, this is detrimental to hon. members. Ministers who agree to table reports should do so without our having to renew our requests.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, further to the point of order raised by the hon. member for Peace River, I should like to ask the government House leader whether he can say when we may expect to receive the new edition of Bill C-259, as passed last night?

[*English*]

Mr. Speaker: The hon. member for Egmont on a point of order. Order, please. I apologize to the hon. member for Egmont. I believe the hon. member for Abitibi did not receive a reply to his question. I am not sure whether I am authorized to refer to the matter raised by the hon. member, but I believe that question was asked last night by the hon. member for Winnipeg North Centre.

[*Translation*]

Last night, the hon. member for Winnipeg North Centre asked this question. The Chair then indicated that the bill would be in the hands of hon. members tomorrow, before the House at 11 o'clock.

* * *

[*English*]

CONSUMER AFFAIRS

FINANCIAL SUPPORT FOR TOY TESTING COUNCIL

Mr. David MacDonald (Egmont): Mr. Speaker, earlier this afternoon I attempted to gain the unanimous consent of the House to refer to a very important matter, the suspension of support for the Toy Testing Council. Unfortunately, the Minister of Consumer and Corporate Affairs was not here at that time and I was not able to catch Your Honour's eye during the question period with regard to this important matter. The difficulty arises, Mr. Speaker, because of the infrequent attendance of ministers and the immediacy of the problem. I wonder if we could be permitted to hear what action the minister has in mind or if he is taking some action on this question at this peak period for the buying of toys?

Mr. Speaker: Perhaps the minister might be allowed to answer the question, but we should proceed to orders of the day. The hon. member for York South has been very patient, and I believe he has an important statement for the House. The minister might be allowed to reply briefly to the hon. member's question.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): It is a matter of real regret to me also, Mr. Speaker, that because of some action by the Canadian toy manufacturers the Toy Testing Council is not able to issue the publication it normally does and the report it normally makes. I indicated to the council some time ago that if they could find a source of publication I would be happy to assist them with a financial grant to do so. That is still the position, and I hope by next Christmas there will be such arrangements. My officials and I have been working very closely with Mr. Lawrence and the Toy Testing Council to ensure that a testing program is carried out to provide better information.

Mr. Speaker: Orders of the day.

• (3:10 p.m.)

[*Translation*]

Mr. Fortin: Mr. Speaker—

Mr. Speaker: Is the hon. member for Lotbinière rising on a point of order?

Mr. André Fortin (Lotbinière): Yes, Mr. Speaker.

Last night you assured the House that Bill C-259 as amended would be printed and available to members by Friday morning.

Mr. Speaker, we welcome that assurance. Technically speaking, this means that in less than 24 hours this bill of over 700 pages, including amendments, will have been completely reprinted. There is only one alternative: either the reprints were ready before the House completed its study, or the Printing Bureau has the best equipment money can buy.

In view of the danger of Parliament's action being anticipated by the Printing Bureau, could I, as a Member of Parliament, get a written certification from the Printing Bureau that the reprinting of the bill was not undertaken before it was agreed to by the committee of the whole—

Mr. Speaker: This is obviously not a point of order. This is rather a very simple question which the hon. member can put to the interested minister in due course. It is as simple as that.

[*English*]

Order, please. Again I bring to the attention of hon. members that we should call orders of the day. We have members who are prepared to make their contribution on the business for today. We are operating again today on a limitation of time, and we should try to get on with the consideration of that item as soon as possible. We have already gone more than 20 minutes beyond the end of the question period on points of order. I think we should make an effort. I appreciate that these matters which were brought up were all important, but we should try to reach orders of the day as quickly as possible. For the moment, the Chair will recognize the hon. member for Sainte-Marie.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I rise on a point of order to invite you to make a ruling on the technical aspect of the parliamentary question of procedure I just raised in order to speed up progress during the oral question period and spare hon. members the obligation of asking again a minister to table the report as promised. Since that minister is in the House, I wonder if the could not say when he will bring in the inquiry's findings on the "Abeille" project—

Mr. Speaker: Order. The hon. member is rising on the same point of order. Here again, this question could be directed to the minister. I want to point out to hon. members that they are simply prolonging the oral question period when they pretend to rise on points or order. I think it would be better to wait at the next question period for such information.

I realize the merit of the hon. member's question and I shall try to co-operate in that respect.

[*English*]

The hon. member for Cape Breton-East Richmond on a point of order.

Mr. MacInnis: Mr. Speaker, I rise at this time because of the remark made by the Minister of Labour with respect to assignment of unemployment insurance benefits. To

support my contention in this matter, I quote from the report of the Standing Committee on Justice and Legal Affairs of May 13, 1971 which at page 5 reads as follows:

> 4. Your Committee notes the following facts:
>
> (b) that Section 58 of the Unemployment Insurance Act provides that "Benefits are not capable of being assigned, charged, attached, anticipated or given as security and any transaction purporting to assign, charge, attach, anticipate or give as security any benefits is void, except that any amounts payable under this Act by any person and required to be credited to the Fund may be recovered out of any benefits payable to that person, without prejudice to any other mode of recovery."
>
> (c) that Section 10 of the Interpretation Act—

Mr. Speaker: Order, please. I suggest to the hon. member that he should co-operate with other hon. members of the House and indicate as quickly as possible what his point of order is. The Chair is in a difficult position. I have to recognize an hon. member who seeks the floor on a point of order, but the hon. member should indicate why he is entitled to seek the floor at this time. We should be calling orders of the day. On the point of order, I should like to know what Standing Order of the House has been violated. It seems to me that this is a point of debate rather than a point of order. If there is a valid point of order, the hon. member should indicate it as soon as possible for the benefit of the Chair.

Mr. MacInnis: Mr. Speaker, I was about to continue and refer to the fact that the Interpretation Act further supports my contention which is that the minister has misled the House. On this matter the Standing Committee on Justice and Legal Affairs supports my contention, if I may continue the quotation:

> —the Interpretation Act provides that an Act of Parliament and each part thereof shall be interpreted according to its true spirit, intent and meaning and section 11 of that act provides that every enactment shall be deemed remedial and shall be given such fair, large and liberal construction and interpretation as best ensures the attainment of its objects; applying these provisions, it appears that section 58 of the Unemployment Insurance Act means that an unemployment insurance benefit is so personal to a recipient that it cannot be alienated from him by himself or any other person.

I suggest that this would also apply to the Unemployment Insurance Commission.

Mr. Speaker: Order, please. I refuse to recognize the minister on this point. This is simply a question of debate and has nothing to do with a point of order. I call orders of the day.

Mr. Mackasey: Mr. Speaker, I rise on a question of privilege arising from the implication and, indeed, allegation that I misled the House. I could clarify this in three or four minutes. That would save much time on subsequent occasions.

Mr. Speaker: Order, please. If the minister thinks he has a legitimate question of privilege, I must listen to him. I suggest to him, as I suggested to the hon. member, that this is clearly unfair to hon. members waiting for orders of the day to be called who wish to participate in the debate. I put it to hon. members that we are operating today under a time limit. This is the last day of opposition business and I am sure that tonight, when we reach the closing hour, some hon. members will protest because there has not been time to consider the estimates which, according to the notices received, are to be questioned. Other hon. members will protest that they have not had an opportunity to participate in the debate which should be beginning now.

[Mr. MacInnis.]

Mr. Knowles (Winnipeg North Centre): It should have begun 20 minutes ago.

Mr. Speaker: I must recognize the minister's right to rise on a question of privilege. However, I suggest again that this is not entirely fair to other hon. members.

Mr. Mackasey: Mr. Speaker, I appreciate that it is unfair to the House and particularly to opposition members. May I remind the House, however, that I did not raise the point of order, nor did I make any references to which anybody could take personal objection. I consider that this is a question of privilege inasmuch as the hon. member has suggested I misled the House. I wish to clarify the matter, and that is why I maintain that this is a point of privilege. One must be consistent. The hon. member, in good faith, got up today and pleaded the case of people who, for one reason or another, were not in possession of their unemployment insurance cheques. It is obvious that if the cheques had been in their possession, there would not have been a complaint.

Mr. Speaker: Order, please. I regret to interrupt the minister. We could go on for days debating the point at issue between the minister and the hon. member. I am sure it is a matter of importance. I have no doubt of its importance although I really do not see how it can involve a question of privilege for the minister any more than it could involve a point of order for the hon. member.

Mr. Mackasey: Mr. Speaker, referring to the question of privilege, I have been accused of misleading the House. I am saying that I have not misled the House. I refer the hon. gentleman, and others in this House, to section 48(2) of the new act, which provides for the right to assign cheques to any welfare office, government agency or municipality. That was hardly misleading the House.

Mr. Speaker: Orders of the day.

• (3:20 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED NECESSITY OF GOVERNMENT POLICY ON FOREIGN OWNERSHIP TO REGAIN CONTROL OF THE CANADIAN ECONOMY

Mr. David Lewis (York South) moved:

> This House calls on the government to institute without delay policies and programs designed to arrest further expansion of foreign control of Canada's economy and to regain control by the Canadian people of our natural resources and manufacturing and service industries in order to assure our country's independence and jobs for Canadian workers and to enable Canadians to shape their own national identity and social values.

He said: Mr. Speaker, I placed the motion which you have just read on the order paper for two reasons. The first one relates to the fatuous statement of the Prime Minister (Mr. Trudeau) after his return from Washington last Monday. It seemed clear to us that he came back from Washington with empty hands.

Mr. Gibson: Not at all.

Mr. Lewis: In a desperate search to justify the trip which he may have made reluctantly, he tried to inflate a simple and natural remark by the President of the United States into nothing less than a breakthrough for Canada. Mr. Nixon was kind enough to say that he recognized Canada's right to be independent in all spheres. What else one would have expected him to say I do not know. That, as I gathered from the Prime Minister, should be sufficient to remove all our worries and to guarantee our independence for all time. We can all relax now. The President of the United States assured our Prime Minister that he does not intend to treat Canada like a colony. We need have no more worries. President Nixon spoke. The Prime Minister heard it. No doubt they shook hands on it and that is, to use the Prime Minister's adjective, fantastic. I say, what fatuous nonsense.

The second reason for placing the present motion before the House is the failure of the government to announce its policy on foreign investment and the numerous indications showing that when it does announce it, the policy will be without teeth and without the capacity for regaining control of Canada's economy over the years ahead. For years concerned Canadians have been waiting for government policy and action to check and reverse the increasing foreign control of our economy. Since Walter Gordon's days in 1963, Liberal governments have been fumbling helplessly for such a policy. They have been fumbling because they have not been serious about the subject. Their traditional continentalism, their anxiety not to interfere with the power of their corporate friends and their doctrinaire reliance on outmoded private enterprise shibboleths have rendered them incapable of protecting Canada's independence. That is why they have thrashed about without result.

For some two years, Mr. Speaker, the present Minister of National Revenue (Mr. Gray) has been charged with the job of developing recommendations on policy. The other day the Prime Minister suggested that the government has finally reached four firm decisions but that he would not announce them until he was able to publish some of the studies on which these decisions are based. It is impossible for me, Sir, to understand the delay in announcing the policy.

Let us look at the history of this matter, Mr. Speaker. At first it was suggested that the studies were papers for the eyes of the cabinet only. Then, one of those papers, a preliminary one apparently, found its way to the *Canadian Forum*. This was followed by the leak of a cabinet document containing a decision on principle. Following that, we were told that the government would be prepared to consider what studies to publish, if any. Now, the publication of these studies has become so important and crucial that the announcement of a policy is to be delayed until that publication takes place. I cannot help saying that strange and tortuous indeed are the workings of the collective mind of this government.

I want to make clear on behalf of our party that we are desperately concerned about the future of our country and the continuing erosion of our effective independence by the massive foreign control of our economy, and about the distortions which that control has created in our industrial development. We are concerned about this not for any reason of arid nationalism but for very concrete reasons affecting Canadian jobs and the shape not only of our economic destiny but of our national identity and culture as well. Having travelled across Canada, it is my observation that a new Canadian awakening is taking shape. Canadians are increasingly realizing that every aspect of their lives, economic, cultural and even recreational, is invaded by foreign domination. Increasingly, they find it difficult to see how we can build a real sense of Canadian identity so long as we remain a minor dependency of our powerful and overwhelming neighbour.

I also want to make it clear that no sensible person in Canada can fail to realize that we must maintain close and friendly relations with the United States. Geography, history and language make that unavoidable as well as desirable. I maintain, and our party maintains, that a friendship founded in equality is honourable and productive. However, a relationship based on the timidity of a satellite is humiliating and sterile.

Some hon. Members: Hear, hear!

Mr. Lewis: The New Democratic Party wants to see a policy of continuing friendship with the people of the United States and with the government of that country, as with the governments of all countries, but not at the expense of our losing the capacity effectively to shape our own economic and social destiny and our own social values in a distinct society. The fact is the huge size of foreign equity in the Canadian economy and the large areas of control by multinational corporations present modern Canadian nationalism with immense problems.

I want to make clear at the very start that we appreciate the existence of these problems. We know that the changes we are seeking cannot be achieved overnight. We know it will require years to rid Canada of its dangerous economic dependency. It is precisely for this reason that we condemn the failure of Liberal and Conservative governments over the years to even make a start. The fact is that our governments have not only failed to make a start, they have allowed the foreign controlled sector of the economy to increase every year. They have not only permitted accelerating take-over and expansion of foreign take-over and control, but they continue to invite it. The problem has grown in size every year and the government of Canada carries the major responsibility for the resulting difficulties.

Before I go any further, I want to put on record that our party believes that a policy of foreign ownership must be implemented without delay. I also want to put on record that for such a policy to be effective, it must at least contain the following elements if we are to tackle the problem with imagination and determination.

First, we urge that a screening or control agency be established without delay which will at least have the

powers suggested in the study published in the *Canadian Forum*, namely the power to obtain all relevant information to investigate particular industries or practices, to limit take-overs and the further expansion of foreign ownership and control. Unless the agency has these powers, particularly the power to limit further foreign expansion in Canada, it will be a toothless and useless exercise.

Second, we urge that we require a revamped Canada Development Corporation totally different from the distortion that the government produced. The Canadian economy in general, and the provinces in particular, must have an alternative source of investment capital. That can be provided most effectively by a Canada Development Corporation directly under the control and management of the government and responsible through a minister to Parliament. To be really effective, the corporation will require massive investment funds which in our view can be drawn only from the reserves of financial and other corporations as well as other voluntary investment by individual Canadians.

Third, we urge that the Canada Development Corporation must have the authority and the duty to act as an instrument of government planning and development policy and to invest in new industrial development as well as to buy into existing multinational corporations.

Fourth, it must also have the power to invest heavily in research and development, either directly or in partnership with private corporations, in order to encourage new initiatives in this field and develop a Canadian technology so that our dependence on multinational corporations for technological known-how is reduced and eventually limited.

Fifth, the Canada Development Corporation should have the authority and duty to expand the public sector of the economy, either through Crown corporations or through consortium arrangements with private concerns.

Some hon. Members: Hear, hear!

Mr. Lewis: This, I suggest, is obviously the most reliable road to Canadian economic independence. It will not only enable us to develop new sectors of the economy under Canadian control, but also to introduce Canadian ownership and control in resource and manufacturing industries now largely under foreign control. Merely to indicate the powers that we believe the Canada Development Corporation should have is to underline the ineffectiveness and the inadequacy of the kind of corporation that is now on the statute books, one which worries, as it does, about getting into its hands existing Crown corporations rather than worrying about buying into multinational corporations now controlling Canada's economy.

Six, we must introduce a new industrial strategy containing a program of rationalization and specialization in the Canadian manufacturing industry, designed both to meet more of our domestic demand, and thus rely less on imports, and to change our trade pattern away from one predominant market, the market of the United States.

Some hon. Members: Hear, hear!

Mr. Lewis: Seven, we urge something that was proposed three years ago in the Watkins report. We urge the immediate establishment of a government export trade agency with real power to ensure that all corporations in Canada promote trade in accordance with Canadian laws and policies and do not, as subsidiary corporations have in the past, submit to foreign laws and foreign policies.

Eight, in co-operation with the provinces, we must establish standards of resource planning and development and require a great deal more processing of raw materials in Canada instead of shipping not only the materials but also jobs out of this country.

Nine, it is essential to increase public investment in our resource industries, either through public ownership or joint participation with private corporations and, indeed, through both. This is the most, if not the only, effective way of regaining control of our energy and mineral resources which are now mainly in the hands of multinational corporations and world cartels. The government tax bill which is before us continues the tax concessions to the multinational corporations to encourage them still further to gobble up our natural resources, particularly in the field of energy resources.

Ten, and finally, we must implement a policy regarding plant shutdowns in this country, a policy that will require full disclosure of facts before the shutdown is authorized and will enable the government to take-over plants threatened with a shutdown if the operation is economically sound and socially useful for society and the workers in Canada.

I have summarized some of our proposals because we all expect a statement of policy by the government in the near future. I wanted to indicate now the concrete steps which our party believes are essential if we are serious about developing Canadian independence and ensuring the future prosperity of our people. I urge that we rid our minds of what I believe to be a number of myths. It is usually suggested that we need foreign investment because we haven't enough in Canada. This is clearly wrong as has been shown statistically many times. For the last number of years there has not been a shortage of investment capital in this country. The failure has been in the lack of planning and direction. In any case, foreign ownership costs Canada well over a billion dollars annually in interest, dividends, management and licence fees, development and other charges, so that net benefit is, on occasion, a negative quantity.

• (3:30 p.m.)

Canadian businessmen have also developed the habit of a strange kind of self-denigration by suggesting that they do not have the spirit of entrepreneural adventure. I do not believe this. Their willingness to invite multinational corporations is not due to any lack of capacity; it is due primarily to a desire to make a fast buck by chumming up with the powerful at the expense of Canada's destiny. Through the years Canada has produced tycoons of considerable strength. I may not agree with them but I admire their achievements. We could have more of them. In any case, I reject the notion that a people which has built Canada from wilderness and rock is incapable of generating the capacities to build its own economic future. We have lacked only the will, not the resources, whether financial, material or human.

Our failure is also due, in my opinion, to our exclusive reliance on private corporations to develop our economy.

We have permitted wealth to be concentrated in a few hands, most of them foreign hands, and our social and economic structure to remain unchanged. Our values continue to be shaped by the selfish goals of the powerful, rather than by the sensitivity and needs of our people. We shall not overcome our problem if we continue to rely on private corporate goals motivated primarily to maximize profits and power. We can take charge of our economic destiny only if we are prepared to challenge private corporate power, to increase the power of ordinary Canadians to plan their society collectively, with a new industrial structure designed to satisfy the needs of Canadians, and, indeed, the needs of people throughout the world.

Present American policies have underlined the dangers in our present position. Our party has warned about them for years, but they have now become real in the life of Canada and its people. The American surtax and, even more, other protectionist policies like the tax incentives and DISC programs will affect not only our trade but the jobs of Canadians. American multinational corporations may well find it more profitable to take advantage of the immense tax exemptions promised in the United States and transfer the operation of subsidiaries to that country, thus shutting down or reducing operations in Canada with the loss not only of jobs but of essential economic activity.

The government study published by the *Canadian Forum* emphasizes that foreign ownership and control of our economy means that our social and economic purposes are set by multinational enterprises in boardrooms outside Canada rather than by Canadians. It is natural that people should be concerned about any fundamental changes in the economic pattern and in the industrial strategy of the country. I accept it as natural that they should fear the possibility of dislocation and possible loss of jobs. I want to say to the people of Canada that we see no reason for these fears if, and only if, the essential changes in the control of our economy are carefully planned and if governments, both federal and provincial, take the responsibility which is theirs to assure job security for the Canadian people. This is a responsibility which the federal government has abandoned and betrayed during the past two years by deliberately slowing down the economy and creating massive unemployment crisis—

Mr. Gibson: Nonsense.

Mr. Lewis: —from which we shall not be able to emerge for two years at least.

I notice that today the Ontario government released the report of a task force composed of civil servants on the question of foreign ownership. I also note from a press report that the Premier of the province refuses to state a policy until the federal government has done so. This is another example of the lack of seriousness with which governments of this country have treated and are treating the basic problem of Canada's economic independence. The provincial government waits for the federal government. The federal government points to provincial anxieties as a reason for its inaction or inadequate action. In the meantime, the loss of our economic sovereignty continues unchecked and the threat to Canadian political, social and international independence becomes daily more dangerous.

My colleagues and I believe passionately that the overriding goal of a modern democratic society must be to eliminate every form of exploitation, to eliminate as far as possible inequalities between regions, and inequalities between groups within each region.

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

Mr. Lewis: Perhaps the hon. member would have the patience to wait until I have finished, when I shall be glad to listen to a question which I am sure will be relevant as well as earth-shaking.

Our objective must surely be an egalitarian society in which every individual has an equal opportunity to share in a rich and varied life and to develop his talents to the full. Only in such a society, a society in which human equality is the overriding consideration, can the worth and dignity of the human being receive full recognition and respect. I say that a society in which one out of every four or five lives in poverty, a society in which hundreds of thousands are forced into idleness, a society in which the difference in income and living standards between regions and among groups, remains intolerable, is an unjust society and that speeches about the worth and dignity of the individual in these circumstances sound just as hollow as in fact they are.

I say to you, Sir, that we cannot talk seriously about a just society as long as we continue to rely primarily on the benevolence of corporations whose purpose is not first and foremost the common good and whose activities are frequently in conflict with the aspirations and needs of ordinary people. We must drop our old-fashioned, doctrinaire ideas about our society and recognize the need for increasing public participation, the need for increasing collective effort to achieve desirable national goals.

Some hon. Members: Hear, hear!

Mr. Lewis: We cannot speak seriously of a new and more humane society if we fail to gain control of our own economic and social destiny. These are the reasons a democratic socialist party like ours believes that the question of foreign ownership and control is crucial to the people of Canada. I suggest to you that Canada is already fighting for its very life. Any further delay is to betray our people.

• (3:40 p.m.)

I put it this strongly because of my profound faith in our country. Canada, perhaps more than any other country, has the resources, financial, physical and human, to satisfy the anxious search of mankind for new social structures from which poverty and want, inequality and waste, may eventually be eliminated. I have a deep faith in the capacity of our ordinary people, in their political strength and in their belief in their country. All they need is courageous and imaginative leadership. The time is later than we think. But it is still not too late. We commend to the House and to the people of Canada the program that I have, I am sure inadequately, tried to outline.

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Kaplan: Mr. Speaker, to ask a question.

Mr. Speaker: The hon. member can ask a question only if he has the permission of the hon. member for York South. I should immediately point out to hon. members that we will again be running short of time if we prolong the time allocated to hon. members by asking questions.

Mr. Lewis: Mr. Speaker, may I say before the question is asked that I will only answer questions if I am still within the 30 minutes allotted to me. I do not intend to go beyond my time.

Mr. Speaker: The hon. member for York South has 120 seconds or so left before his time expires.

Mr. Gibson: Mr. Speaker, I should like to ask the hon. member why he failed, in his speech, to point out that this government introduced and had passed almost at the beginning of this part of the session the employment support bill that provided $80 million to protect Canadian jobs.

Mr. Lewis: Mr. Speaker, I always find that this hon. member, if I may say so not too unkindly, needs to ask questions more than most because his facts are usually wrong. The short answer to the hon. member's question is that we opposed the bill to which he refers. I called it, on behalf of my party, "inadequate tokenism". It has not done the job and will not do the job. In any case, it is irrelevant to the question we are debating today, which is probably the reason the hon. member rose to ask the question.

Mr. Kaplan: Mr. Speaker, I should like to ask the hon. member a question regarding the manifesto that he has just delivered and which is silent on this point. Have he or his party given any thought to the difficult political question of whether a provincial government should have any real say in a decision not to permit foreign investment to be made within its provincial borders? I would be interested to have the hon. member's views on that matter.

Mr. Lewis: Mr. Speaker, as a matter of fact my statement was not silent on this. In relation to natural resources, I specifically referred to the need for co-operation with the provinces. I know perfectly well that many of the areas involved in the discussion also come under provincial jurisdiction, and I would certainly underline the need for some consultative machinery between the federal government and the provincial governments regarding the implementation of a policy that is effective. But I want to emphasize that if the hon. member is suggesting, as Liberals have suggested throughout the ages, that the constitutional divisions of power should be used as an excuse for remaining quiet and letting Canada's economic independence continue to be eroded, then I throw that suggestion back in the hon. member's charming face.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I welcome this debate. The motion urges the government to stop expansion of foreign control over the Canadian economy in the interests of Canadian independence and Canadian jobs, as well as the recovery of control over our country. I thought the motion itself was a little vague with regard to the question of whether any foreign investment was to be permitted, but my impression from listening to the hon. member is that the sponsor of the resolution really wishes us to halt foreign investment in Canada.

I want to emphasize today that foreign investment has, of course, been important to us in our past, given our lack of an accumulation of savings. I want to emphasize, too, that foreign investment is still important. It has been important in central Canada in the past in stimulating the economic growth of the region. It is important today to large parts of western and northern Canada in terms of the development of natural resources.

I would warn this Parliament that there is concern in the west and in the north, as well as in the east, about the possibility that policies of this government or of this Parliament could interfere with the natural development of those parts of Canada, particularly with the natural resource industries. I emphasize that if we are going to discuss policies in this Parliament related to increasing the strength of our nation, we had better talk about policies that really strengthen our national feeling rather than policies that tend to divide this country.

Some hon. Members: Hear, hear!

• (3:50 p.m.)

Mr. Stanfield: I mentioned the north and the west but there are also people in the east, and not only in my own province of Nova Scotia, who would be very upset at any attempt on the part of this government to impose ground rules that would prevent the benefits which would accrue from foreign investment and foreign enterprise from coming to what are still, in relevant terms at least, the "have-not" provinces in Confederation.

I ask my friends to my left whether this resolution, and the statements accompanying it, envisage that foreign enterprise now actively exploring and developing offshore oil and gas off the cost of Nova Scotia should be taken over by the government, should be stopped, or should be discouraged. I think these are points which should be clarified by the sponsors of the resolution.

Some hon. Members: Hear, hear!

Mr. Stanfield: The resolution before us refers to the independence of Canada. We in this party who are the direct political descendants of those who brought about Confederation will not take a back seat to anybody in our determination to preserve this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: But there is no simplistic answer to this question. It may be that to the leader of the NDP and his friends the solution is to be found in public ownership and control. That is a simple concept alright. My hon. friend spoke about myths. One of the myths that prevailed in the nineteenth Century and in the early part of this century in some circles was that public ownership and controls constituted some kind of magic formula. But in the past half century at least, too many countries have experienced too many incredible difficulties in their unsuccessful attempts to prove the correctness of that formula.

It is not only the foreign corporations that have been laying off people. In terms of public ownership, what has

been going on in the Polymer Corporation is not exactly an example to private enterprise in this country.

Mr. Olson: There is Deuterium of Canada.

Mr. Stanfield: The minister mentions Deuterium. Perhaps it is an example.

Mr. Olson: A bad example.

Mr. Stanfield: But it was this government that insisted that the majority control of that corporation be retained in Canada.

Some hon. Members: Hear, hear!

Mr. Bell: Any more questions?

Mr. Stanfield: A man with all the minister's troubles deserves the opportunity to shovel a little of them off on somebody else.

We need more Canadian enterprise and more Canadian ownership, and we should certainly consider actively a program to encourage Canadian ownership and enterprise in many forms. This certainly must play a part in any effective program. This government's action in ramming through this House the massive tax bill by closure, much of which is irrelevant to the present difficulties, is not a part of any sensible formula to increase Canadian participation.

Some hon. Members: Hear, hear!

Mr. Stanfield: Certainly, the heavy emphasis in my friend's resolution and in his speech was on the question of ownership. I do not deny that the question of ownership can be relevant and, in certain sectors, very important. We have maintained this in the past and we maintain it today. There are obvious sectors, such as finance, insurance and communications, and there may well be others, where it is important to keep a close watch and where we should be prepared to move. I do not rule out a screening process, for example, for new investment of the kind that would bring about some distortion in our economic priorities in this country. We should be willing to consider these possibilities. But first of all let us be clear as to what our priorities are. Quite apart from that, what we should not be doing and what we must not do, under the guise of creating some sort of screen to preserve our nationhood and on the pretext of saving Canadian independence, is to create new bureaucratic monstrosities with arbitrary powers over the economy which would destroy, not simply economic freedom but economic growth and development in this country.

Let us not forget that there are other aspects of the independence and autonomy of our country which are at least as relevant to us as is the ownership of property. There is trade. In a country that achieves 25 per cent of its gross national product through external trade—over 80 per cent of our manufactured goods go to one country, the United States—surely the concentration of trade in this way is just as important in relation to the autonomy and independence of our country as is any concentration of ownership. The official policy of the government has been multilateralism, but in fact what has developed has been a continental trading pattern. That has been the real Liberal policy. In view of the degree of interdependence that has developed between Canada and the United States we need guidelines to govern our behaviour. I am not minimizing the importance of trying to diversify our trade with the European Economic Community, for example, but one must be realistic and recognize the importance of the U.S. market at this stage in time. Therefore, if we are going to maintain a position of comfort in our economy, we must recognize the importance of establishing meaningful guidelines which would govern the behaviour of Washington and Ottawa toward each other. I cannot stress this too much.

Mr. Gibson: How unfortunate.

Mr. Stanfield: I have only 20 minutes. I will talk with the hon. member tomorrow.

Mr. Gibson: I am just interested.

Mr. Stanfield: The obvious uncertainty created by the Nixon announcement of August 15 was deeply disturbing to me. I say we can do all we want about foreign ownership in this country—I am not minimizing its importance or the importance of encouraging more Canadian ownership—but we will continue to depend on the decisions being taken unilaterally in Washington because of the degree of interdependence of our economies unless we establish meaningful guidelines to govern the behaviour of our two economies. We need the market. We cannot develop a modern technological industry without markets. We cannot retreat into some form of protectionism either through tariffs or through public ownership. We need jobs and we want our country to be in the mainstream of the economic life of this world, not a weak country retiring into economic backwaters.

Some hon. Members: Hear, hear!

Mr. Stanfield: The sad truth is that the government is lacking in any strategy of economic development. I could develop this aspect at some length but my time is very limited. We have had piecemeal efforts at tax reform, at curing economic disparity, at a competition act, and now, from what we hear, the government has made up its mind about a foreign investment policy, all without any regard to any over-all strategy of economic development. We have had it with regard to taxation; now, apparently we will have it with regard to foreign ownership. I am sure that since the government has made up its mind, anything I say here today will have very little effect. However, there are some things I want to say in any event.

I expect that the government will go off half-cocked once again, not for lack of time but because of its failure to develop any general economic strategy, the need for which was emphasized even by those who wrote what was described as the leaked Gray report. They recognized that to have an effective or meaningful screening process with regard to foreign development there had to be a government strategy of development which this screening process was supposed to implement. But what the authors of that report overlooked was that the very machinery that might be established can only be significant, intelligible and intelligent if it is related to some decisions on priorities and decisions that have been taken with regard to an industrial strategy which we do not have at all. Nobody

need take my word for this. The Science Council of Canada has made it very clear that this government has no industrial strategy.

I recognize that in certain areas in particular, foreign ownership may be a problem. That is not the most basic problem with which we are faced. The most basic problem is the lack of any sort of strategy for economic development. This government has failed in many fields, but certainly in this. What we need is a strategy, not only because it will enable us to develop our priorities in terms of industry but because we need something that will enable us to use industry in the broadest sense of the term, including services, farming and natural resources. It is only by setting such priorities that we shall be able to look intelligently at the matter of foreign investment and see what degree of distortion is in fact taking place in relation to the kind of strategy we want to achieve. We should see what steps should be taken in respect of foreign investment to fit it into our own priorities in Canada. Then, when the government of this country brings down a policy with regard to foreign investment, it must at the same time clearly indicate to this House its strategy with regard to economic development.

• (4:00 p.m.)

Mr. Marchand (Langelier): We have one.

Mr. Stanfield: You have one! I am prepared to wait and see. Mr. Speaker, the Minister of Regional Economic Expansion (Mr. Marchand) says they have one. I challenge him to describe it. I do not believe he has one because the only meaningful economic strategy in this country cannot be worked out by one level of government. It has to be worked out by the federal government in concert with business, agriculture, labour and the provinces because it is meaningless otherwise. A strategy of economic development worked out on high by the federal government, the supergroup or whoever tries to do it, will not mean a thing unless it carries with it the support of the provinces. I say it will not mean anything practical unless it is worked out in conjunction with those actually engaged in industry, both on the management and labour sides in this country.

How, for example, are you going to have any meaningful strategy with regard to the processing of raw materials to which my hon. friend referred, unless it is worked out in conjunction with the provinces. There is no indication at all that this is taking place. The main thing we have to remember in debating this whole issue is that talking about nationalism is one thing and practising it effectively is something else. We must remember that nationalism and poverty are uneasy mixers. We are determined to keep Canada independent, but the only independence which can mean anything is one based on a reasonable degree of economic prosperity.

Some hon. Members: Hear, hear!

Mr. Stanfield: Without economic growth, without investment, without enterprise, independence can only be an illusion. You do not achieve independence by talking about it or by looking at it, but by making hard decisions. So far as the government is concerned, you do not achieve it by discouraging people at the rate the government has been doing it. The government has failed miserably in giving encouragement. It has failed to produce any strategy. We in our party have adopted a positive approach designed to restore confidence and build up the country.

Let us examine the role of foreign investment in the context of a meaningful strategy of economic development to develop our country and to develop its independence. Speaking for myself and for my colleagues, we shall not allow ourselves to be hypnotized by a slogan or by simplistic answers. We need an industrial strategy and we shall in all probability continue to need foreign investment. Our challenge is to reconcile these two goals. We must choose our priorities and we must choose the means to attain them. We cannot do this by means of such a resolution as is before the House, and certainly cannot do it by the negative and secretive attitude of the present government. Neither of these extremes can inspire any confidence, and that is what is lacking most in this country at the present time. It is not by the pursuance of irrelevant subjects such as the tax bill and the Competition Act that confidence can be attained and yet, that is all the present government seems to be capable of producing.

I welcome this debate today. We welcome the opportunity to point out again the bankruptcy of the government in terms of the lack of any effective approach to the development of this country. We welcome the occasion to point out again the need to look to new horizons in terms of trade, in terms of our relationships with other countries and in terms of long-term economic strategy. That may be the best we can hope for from this debate, but there will be other debates coming, both in this House and outside, and we shall be ready for both.

Some hon. Members: Hear, hear!

• (4:10 p.m.)

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, we in the opposition are very happy with the motion moved by the New Democratic Party because it gives us the opportunity of restating our confidence in Canada's potentialities and in our international policy, especially with regard to the United States.

Mr. Speaker, while the diplomatic war deliberately carried out by this government with our neighbours to the south goes on in order to justify other diplomatic manoeuvres with the communist world, American control of Canadian resources continues to grow. In this connection, this week the Prime Minister (Mr. Trudeau), following a meeting of barely two hours with President Nixon, stated that both countries had agreed that each one was free to choose its political and economic destinies, while respecting the other.

In short, the right hon. Prime Minister went and asked Mr. Nixon if Canada was a country separate from the United States. Mr. Nixon replied: Yes, of course. That does not mean anything. Those are the terms with which the Prime Minister is content. But facts are the extreme opposite of the political strategy of the Liberal party that keeps on handing out Canada to Americans for a dish of lentils. But we know it is the federal government that has jurisdiction over foreign investments.

Our relationships are characterized by the interdependence of our two countries in culture, technology, finance, trade and tourism in one word in everything.

The present legitimate concerns of the Canadian people which is more than ever determined to attain its independence in North America are deeply rooted in history and in the struggle waged by Canada to carve its own future in spite of the large difference between the size and the power of the two countries.

Mr. Speaker, the concerns of Canadians, which are shared by the Social Credit Party of Canada, are linked first of all to recent social and economic events which are today more acute and alarming. My time being limited, I shall only mention them. They are: the profound influence of American culture on Canada's and Quebec's way of life, the extent to which our industries and resources are controlled by Americans, the attraction that the United States offer for Canadian scientists, engineers and professionals who are unable to exercise their talents in their country, the numerical superiority of American teachers in Canadian universities and the predominantly American content of radio and television programs.

Thus, Mr. Speaker, Canadians and Americans should consider these phenomena in the light of their respective history and national aspirations. It was obviously not necessary for the right hon. Prime Minister to go to Washington to acquaint himself of the fact that we are two distinct nations. We must therefore not only take into account the factors which tend to unite our two countries, but also and increasingly so, those past and present factors which tend to separate and divide them.

In fact, it is urgent for Canada to find and attain its own national identity, not only by words of mouth, but in fact.

For the most part, these problems result from the disparity of our respective powers in practically all areas.

In most of their transactions the United States are in a better position to promote or to jeopardize Canadian interests than Canada is to influence American prosperity and security. Canadians are more aware of this situation than the Americans. The recent 10 per cent American surtax on imports is a fair example of those conflicting interests.

Faced with this situation, which is not new, the previous governments, in the pay of almighty finance, have constantly kowtowed and each time we could have orderly and logically imposed ourselves as Canadians and with legitimate national proudness, we hurried to exchanged our natural resources against a handful of peanuts.

What did we do with our iron? We gave it away. We begged the Americans to carry it home so they would employ their own labour, process our products and subsequently sell them back here.

Mr. Béchard: Quebec does that.

Mr. Fortin: My hon. friend from Bonaventure-Îles-de-la-Madeleine says that Quebec does that. I would point out to him that, to my knowledge, the province of Quebec is still a part of Canada and that if Quebec is doing it, it does not make it more sensible.

What did we do with our timber? What did we do with our timber rights? We leased them for 99 years.

What did we do with our oil?

What did we do with our marine resources?

We are giving them away and, as certain NDP members do, we blame the Americans for it.

We in this party say that the blame rests on former governments which, in the pay of high finance, went running on all fours before these people and begged them to develop our country so as to get votes and then put the blame on the Americans.

We in the Social Credit Party, want to be more honest than that.

So as to prove what I am saying, I shall quote an article from the October 24, 1971 edition of the newspaper *Dimanche-Matin,* entitled "Mr. Massé is asking the USA oil industry to develop our resources".

That happened in New Orleans. And he is not better than the others. He is not different from them, simply more of the same.

The article was as follows:

Proximity of the markets, co-operation from the Quebec government and recent oil discoveries in Nova Scotia were factors that obviously interested officials of the southern United States oil industry when Quebec Natural Resources Minister Gilles Massé invited them to come and explore for oil fields and develop our oil resources.

Leading a delegation that spent last week in Louisiana, Mr. Massé, accompanied—

After a detailed account we are told that Mr. Massé would extend numerous privileges to the Americans so as to enable them to discover oil in this country, as if Canadians were unable to discover their own natural resources. They go to the United States and say: With the promise of generous tax privileges, and other things, we invite you to come and discover our resources, to take them and develop them; meanwhile, we work in those mines, we develop our resources and nothing is left to us. We are even not wise enough to demand royalties for those natural resources, royalties that would be payable to the government of this country or of the province and that would make it possible to redistribute to the people who own them at least a part of those natural resources. Then, they will blame the Americans.

But in fact, the Americans are filling a vacuum that Canadians refuse to fill because they say they are unable to do it or because their hands are tied. Either Canadians do not possess enough competence to develop their country or they do not have the resources necessary to do it. We think the reason is not that the Canadians are unable to do it but rather that their governments are tied down by the world of finance and prefer to sell out Canada on a long term basis on the pretext of bringing in foreign capital and thus creating jobs.

The governments live from day to day and that is their most serious problem and most serious fault. They prefer to sell out Canada to foreign interests on the pretext of giving its population three meals a day. It would be so simple to hand out Canada to the Canadians without throwing anybody out but by giving Canada the monetary and financial mechanisms to finance that production.

Mr. Béchard: Mr. Speaker, would the hon. member allow me to ask him a question?

Mr. Fortin: No. All you have to do is rise and speak. Your turn will come.

Mr. Béchard: Be a bit more polite. I asked you if you would accept a question.

Mr. Fortin: No. I refuse to be interrupted by this stupid man. I am only allowed 20 minutes.

Mr. Béchard: I asked you very politely.

Mr. Fortin: I will give you another example to show—

Mr. Béchard: You lack manners.

Mr. Fortin: —how stupid people are in that administration.

Yesterday, on December 8, in the newspaper *Le Devoir* one could read:

James Bay, an error advantageous to Nebraska.

National Resources Minister Gilles Massé confirmed yesterday that a $20 million public works contract had been awarded to an American firm rather than to Montreal-based Simard-Beaudry because of a "technical error" on the part of the latter.

How perfectly ridiculous to see such things and the United States get $20 million worth of Canadian and Quebec taxes because of a simple "technical error" on the part of a stupid government official. Then people will say, it is the Americans' fault.

In the light of those facts—the federal government is just as responsible as the provincial governments—we can only add that they are hiding behind technical details or legal difficulties to say: We cannot develop our country or we cannot give those contracts to someone from Canada or the province of Quebec.

• (4:20 p.m.)

Mr. Speaker, I submit that maladministration is involved and no wonder we have reached that point. In the report of the Task Force on the Structure of Canadian Industry, published in January 1968, the following can be found on page 127,

An attempt has been made to collect detailed financial data on 570 of the 606 separate companies, the excluded companies being mostly financial corporations. These 570 companies had 46 per cent of the assets of all fully tabulated companies in 1964, 35 per cent of the sales, 53 per cent of the taxable income, paid 67 per cent of the dividends and accounted for 51 per cent of the net internal cash flow.

These large companies are a very dominant factor in three sectors of the Canadian economy—mining, quarrying and oil wells,—

These are three sectors where our governments, federal and provincial, instead of availing themselves of the necessary mechanisms to develop our resources for the benefit of the Canadian people, went to the United States and begged our neighbours to come and have them developed on our behalf.

Mr. Speaker, one can recall also that a cabinet minister, the hon. member for Duvernay (Mr. Kierans), once said publicly that the American influence in those three sectors was too great. He wanted to protest and, then, the Liberal party threw him out. Whom is the Liberal government serving?

Recently we heard about the life insurance company *La Prévoyance* which was in the process of being taken over by Americans. On this side of the House somebody asked the government what it intended to do. The answer was that the problem was of a technical and legal nature and that intervention was impossible.

Again recently we learned that Retail Credit of Atlanta, Georgia, had undertaken to buy all the offices of that company located in Montreal, Winnipeg, Toronto, Vancouver and Regina. We asked the government what it proposed to do, but we got no answer. I phoned the office of the Department of Consumer and Corporate Affairs, but no answer there either.

This is the situation, Mr. Speaker. And yet, when a liberal or conservative government is brought to power, the first thing it does is to take a yearly trip to Washington or to Wall Street in New York. What for? To obtain funds in order to support provinces, municipalities, school boards and the whole public sector.

We suggest that the Bank of Canada become the main source of funds for the public sector, for provinces, for municipalities, for school boards so that there may be a great flow of Canadian capital, which in turn will be invested in the private sector in order to stimulate our economy.

The reason we have to obtain American capital in order to develop the public sector, which is the most costly—as can be seen when we read the annual reports and balance sheets of municipalities and school boards—is that there is a lack of Canadian capital. Most municipalities in Quebec spend 40 per cent of their budget on public debt payments. As for the federal government, 14 cents out of each tax dollars goes towards paying the interest on the public debt. Therefore the lack of capital in Canada is not surprising since most of the capital available here for developing our country and our natural resources is used to service the public debt.

That is why we are trapped in a vise, stuck in a vicious circle where Canadian capital gets lost and becomes nonproductive; the best we can do is repay the money borrowed in foreign countries where we simply could have asked the Bank of Canada to invest money.

Mr. Speaker, there is more to it than blaming the Americans for lending us money.

If Americans have faith in our natural resources, if they believe in Canada to the extent of heavily investing in it, why should Canadians not also have faith in their country and avail themselves of financial mechanisms to ensure its development through the Bank of Canada? Why should Canadians not have faith in their country, if Americans do?

Mr. Speaker, that is the language Canada's Social Credit uses. We shall not solve our problems by putting the blame on Americans, but by giving Canadians the opportunity to develop their country, by inculcating them with national pride, by making them realize that Canada belongs to them, as do the country's natural resources and that it is up to them, not to foreigners or neighbours, to develop their country.

Mr. Speaker, some provinces under Social Credit administrations for a long time have required the payment of fees to the Crown on resources extracted from their subsoil; in this way they were able to levy large sums of money which were redistributed as social security

allowances or some other allowances, to the benefit of the people. Thus the provincial governments were able to reduce personal taxes while increasing the purchasing power of the people.

This is, Mr. Speaker, an intelligent way to administer a province. What is being done in other provinces? They beg the people from other countries to come and develop our own country. In this connection, I would refer my colleagues to the two articles I mentioned earlier. That is as true of the former provincial Ministers of Natural Resources as it is of their federal counterparts.

Mr. Speaker, we should stop begging for financial permission to develop our country each time a new federal government comes to power.

Mr. Speaker, Canadians are in a position to give themselves the financial permission to develop their country—however paradoxical this may seem for some hon. members opposite—though the Bank of Canada.

In conclusion, I wonder how is it that the successive governments for over 30 years have dealt with everything, have made inquiries on everything, have discussed everything in order to solve their problems but have never thought of going to the Bank of Canada.

Reforms have been undertaken in all fields and at all times to find solutions which have been but poultices on wooden legs. However, no one ever dares tackle the Bank of Canada, not to destroy it, but to put it at the service of Canadians, by granting interest free loans to the provinces, municipalities and the federal government, in order to build what we need, so that people will not be so heavily taxed and to reduce our indebtness toward the Americans.

What difference is there, Mr. Speaker, between $10, $100 or $1,000 coming from either Washington or New York, and the same amounts coming from the Bank of Canada? The big difference is the following: This debate would not be taking place now if we used the Bank of Canada, because Canadians would hold the mortgage on their own investments and thus, Canada would belong to them.

This is why we will continue to fight to convince government members to accept that great idea of keeping Canada for Canadians, not through revolution, arms or force, but by maintaining order and justice, respecting our neighbours and continuing to co-operate with them.

The Social Credit Party of Canada is not anti-American. We advocate a policy of good understanding, of exchanges at all levels, of constant co-operation but not at the expense of Canadians.

Our friendship has cost us up to now more than what we have received in return, so much so that in the financial and economic fields, the so-called profitable dialogue between both countries is falling on deaf ears and while Canada is satisfied with speaking, the United States take advantage of everything which we do not put to use. Our governments, Tory and Grit, wanted it that way.

We are happy, Mr. Speaker, that the United States should show an interest in us, but we want Canada to equip itself with efficient financial and monetary mechanisms. Our country should adopt a policy for the development of its natural resources that can give Canada back to the Canadians without necessarily generating sterile diplomatic wars.

[*English*]

Mr. Ross Whicher (Bruce): Mr. Speaker, it is a real pleasure for me to have the opportunity of being the first speaker from the government benches to answer to the motion moved by the hon. member for York South (Mr. Lewis). May I preface my remarks by saying that I am sure there are no Canadians who are not somewhat perturbed by the infiltration of American capital, and indeed American control, of the many industrial enterprises that are the economic bulwark of the nation. However, Mr. Speaker, I think we must be realistic in the appreciation of such a subject and realize that such investment is absolutely vital to us as a country and as Canadians.

Some hon. Members: Hear, hear!

Mr. Whicher: The facts of life are that approximately 210 million people live immediately to the south of our border who speak one of our official languages and, in my opinion, live our way of life. They have been friendly on practically every occasion, certainly since World War I. That they have made mistakes is undeniable; that they think firstly of their own country is equally true, but that they have done more to aid the whole world than any other nation in history simply cannot be denied.

Some hon. Members: Hear, hear!

• (4:30 p.m.)

Mr. Whicher: What other country in the world knocks nations such as Germany and Japan to the ground, and then builds them up again so that those same nations are now the economic envy of the whole world. Mr. Speaker, billions and billions of dollars have been given by the taxpayers of the United States, who range from the industrialists of New York City to the cotton growers of Mississippi, for the benefit of this old world; and when I say world, I indirectly include our own nation.

Mr. Skoberg: What state are you from?

An hon. Member: Missouri.

Mr. Whicher: Mr. Speaker, three months ago my wife and I had the opportunity of visiting a great little Quebec city, Seven Islands, or Sept Îles as it is known in Quebec, at the mouth of the St. Lawrence. Just over 20 years ago there were a few small houses in that locality. Today it is a city of 22,000 people, a modern city with wide streets, sewage disposal plants, new schools, new hospitals and the highest paid salaried workers in the whole province of Quebec. The Americans, Mr. Speaker, spent over $1 billion developing this city. Every single dollar was American but every single employee was a Canadian, with the exception of two or three senior American officials who were there to look after this huge investment. Mr. Speaker, since that time the Americans have paid Canadian taxes, have obeyed Canadian laws, have employed Canadian people and turned the houses that they financed back to Canadians at a very reasonable price.

Mr. Skoberg: Hurrah.

Mr. Whicher: My next statement about this situation will be obvious. If it were not for American capital, there would be no Sept Îles, as we know it today. This is what

the hon. member for York South (Mr. Lewis) is against. He and his party can deny this in any way they see fit, but it is he who is more anti-American than any political leader on the horizon in Canada at the present time.

Some hon. Members: Hear, hear!

Mr. Whicher: And yet the very party that he heads gets more financial support from unions controlled absolutely by Americans than any other political party in Canada, bar none.

The hon. member for York South and his colleagues in the House passionately believe certain things. I wonder how passionately his supporters outside the House, known as the Waffle group, support him on what he said in the House this afternoon. I wonder if the premiers newly elected to lead the western provinces of Saskatchewan and Manitoba passionately believe what the Leader of the NDP said this afternoon. I wonder if they are against American dollars in the same way as he is. May I tell you that the first pilgrimage Premier Schreyer made was not to that great city, Montreal, to get money, was not to that great Canadian financial centre, Toronto, but was to the cauldrons of New York City. He went just like a pilgrim going to Mecca. And when he came back he had a bank account of American dollars and the waved the Star Spangled Banner just as every other Canadian has done who has gone to New York for some of that money. And, Mr. Speaker, what was the speech that he made to the industrialists and moneyed people of New York City? He said, "We are not socialists; do not believe the nonsense the Lewises are feeding the people of Canada. We are free enterprisers."

Some hon. Members: Hear, hear!

Mr. Whicher: He said, "Because we are free enterprisers, I know you will give us money." And they gave him money, Mr. Speaker, and he was very happy to get it. The only thing I want to say here is this: such money does not always breed industry. When our American friends see the word socialist applied to any particular provincial government, they shy away from that province as if it had the plague.

Let us look at some of the statements the Leader of the NDP has made, not just today, but in the past few days. When the Prime Minister came back from Washington and made his statement in the House of Commons, the NDP leader accused the Americans of raping us. Actually, he went even further and said that the rape was by invitation and by consent. Mr. Speaker, that statement is probable the only sexy thing about the Leader of the New Democratic Party—

Mr. Skoberg: You are misquoting.

Mr. Whicher: Some of his stupid statements are probably the only sexy thing about him. It has not been my opportunity to have the great education and legal training that the Leader of the NDP has had; it has not been my opportunity to have a great many certificates on the wall emphasizing what a great scholar I am.

An hon. Member: That's obvious.

[Mr. Whicher.]

Mr. Whicher: It has not been my opportunity to come from a great city like Toronto. I come from a little town, Mr. Speaker; but I come before you, proudly, and with a degree of common sense on this particular subject that has not been shown this afternoon by the hon. member for York South.

Let us look at the realities of the situation in which we find ourselves. The leader of a responsible political party in Canada is condemning our greatest friends.

Some hon. Members: Oh, oh!

Mr. Whicher: He is condemning our greatest market and condemning our greatest source of capital. No wonder the people of Canada have relegated him to be the leader of a very small political party that is smaller than the rump of the Liberal party. I ask, Mr. Speaker, what kind of leadership would we have if this man, who had the audacity to bring forward this motion this afternoon, should ever happen to become prime minister of Canada? How would he get along with the President of the United States?

Mr. Skoberg: At least we would know where we stood.

Mr. Whicher: The hon. member says, at least we would know where we stand. We would wind up on our fanny; that's where we would be.

Mr. Skoberg: You know where you stand.

Mr. Whicher: The leader of the NDP practically invited us to declare war on the United States, just as he invited us to declare war on Nigeria when the Biafran situation was discussed here in the House.

Some hon. Members: Oh, oh!

Mr. Whicher: No responsible Canadian can excuse his continuing attacks on our greatest friends. That does not mean that our American friends are always right. That does not mean we should not be the architects of our own destiny. It does mean, however, that we, as Canadians, despite the many faults of the Americans, should appreciate the Americans and be happy that it is the Americans who control the country to the south of us. Indeed, we should get down on our knees and thank God that it is the United States that is next to us instead of a couple of other countries that shall not be mentioned this afternoon.

Some hon. Members: Hear, hear!

Mr. Whicher: The anti-Americanism that has been emphasized chiefly by the Leader of the New Democratic Party of Canada must cease. Day after day, hour after hour, this man and his party have criticized the Americans because of their experiments with atomic weapons. Every single member of the House of Commons is against these experiments. I venture to say that 98 per cent of the people are against the use of such weapons. However, we are against all experiments involving atomic weapons, including those carried out by France, China and Russia. That is something that the Leader of the New Democratic Party has not said, has not emphasized. One wonders, and I say this most sincerely, just where his friends live.

This talk of the rape of Canada, and the rape of Canadian industry, is such nonsense. Let us look at what actually happens. We will say that an American wants to buy a

certain Canadian business or a piece of land owned by a Canadian. One would think, from the criticism that has been heard here this afternoon, that he comes here and seizes it. On the contrary, he finds the Canadian who wants to sell and pays him good money for the purchase.

Mr. Skoberg: Good money!

Mr. Whicher: Good money that the seller wishes to accept in exchange for his property. Is this rape by these horrible Americans? I would say it is plain, ordinary business. And business, Mr. Speaker, has done more to give the Americans the highest standard of living in the world and more to give the Canadian people the second highest living standard than any other single factor. Certainly, it was not the socialism of England or the socialism of Russia that gave those people the few refrigerators and bathrooms that they now enjoy. It was because of socialism that they had so few of these amenities.

Mr. Skoberg: Hurrah!

Mr. Whicher: It is those same forces of socialism that today, in Sweden, permit a 10 per cent inflation rate, that have permitted a general strike in that country and that have forced the present government of Sweden to bring in a back to work order.

Mr. Skoberg: Tell us about their unemployment level.

Mr. Whicher: You will be unemployed after the next election. That does not mean, of course, that we should not attempt to own as much of Canada as our economic resources will allow. This does not mean that we should not attempt to own, as Canadians, our gas industry, our oil industry, our petrochemical industry and many more industries that American money and know-how have taken over. I ask most sincerely, Mr. Speaker, where these industries in Canada would be now if it were not for our American friends. There simply would not be any. There would not be any Sept Iles. There would not be the standard of living that we now have in Canada. Indeed, there would not be the employment that American investment has created. In short, we would have been damn fools to turn down this money.

• (4:40 p.m.)

We would have been equally as foolish to have allowed the Americans to make their own laws, which they do not do. They obey ours. We would have been foolish indeed if we had not insisted that they employ Canadian labour, which they do. We would have been foolish if we had not forced them to pay Canadian taxes, which they do. The crux of the situation is the big stick we hold that can be used if it is necessary. What happens if the department of highways wants to build a highway through your farm today? That department expropriates the land for the common good of all citizens. We can do exactly the same to any American industry that does not play ball with our laws and our way of living. Please God, this will never happen. If it does, let it never happen as the leaders of the New Democratic Party in the province of New Brunswick have suggested, namely the seizing of these properties without compensation. What a despicable thought!

Having said this, Mr. Speaker, I urge the government to use that degree of sweet reasonableness and common sense which will allow us to control our economic future as much as possible. Under no conditions must we make enemies of our greatest friends. Let us remember that the Americans have not just bought, Canadians have sold and have been well paid.

An hon. Member: It is known as prostitution.

Mr. Whicher: Perhaps we should cease selling. Perhaps through such agencies as the Canada Development Corporation we can control our own destiny. I appreciate the fact that the destiny of the inhabitants of Sept Iles and scores of other areas in Canada is better controlled by American money than no money at all. In fact, if that money had not been invested in that area, no one would even be living there.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I do not know if I dare get to my feet, being a mere member of the New Democratic Party, after all the previous tirade. I am tempted to reply, but my time is limited. I want to make a few points that will have a direct bearing and some relationship to the issue before this House. Before doing so, I cannot refrain from making a few observations on the speech of the Leader of the Opposition (Mr. Stanfield) this afternoon.

What we heard, perhaps politely put, was "Bob, the Tory" revealing himself. First, we heard the disparaging comments about the suggestion that some public enterprise in this country might indeed be beneficial. He referred to his concern about the Atlantic and other provinces which might be deprived of the advantages accruing from foreign investment. I remind the Leader of the Opposition that, after nearly a century of almost exclusive emphasis on private enterprise, the Atlantic provinces are not exactly one of the richest regions in Canada. The steel industry in his province was notoriously known throughout the steel industry, both in this country and abroad, for losing money annually. After it was brought within public ownership, it made a profit for the first time in many years and is still making a profit. I further remind the Leader of the Opposition that the New Democratic Party never argued we should cut off all sources of investment capital. We have argued that when it comes in, it should be on a minority shareholder basis. Above and beyond that, we have argued for a meaningful Canada Development Corporation that would provide investment capital, not only in the Atlantic provinces and other poor regions, but in many places in this country.

Finally, there was the unjust and inaccurate description of our party's position, and that of the leader of our party, which he stated this afternoon with regard to public ownership. The Leader of the Opposition raised the old shibboleth of 19th century socialism. He said we know what that has led to in certain parts of the world. He said that it has not been very efficient and has not achieved all the wonders its believers thought it would. That is a distortion of what we are arguing for at this time in this Parliament and throughout the country. We have never argued at the provincial and federal levels of this party for anything other than a mixed economy at this time. It is to create a caricature to suggest that all we want is public ownership

and cite a lot of misleading examples to show that it has run into certain difficulties here and in other parts of the world. We are now talking about a mixed economy. We have ideas. In terms of emphasis in this debate and at other times, we stress that we need more public involvement, not less. We do not want the total absence of all private enterprise in the economy.

I would like to take up the challenge of what should be done with one of the major sectors of the economy in terms of private enterprise at this time. I refer to the automotive industry. The automotive industry in Canada is one of the most prosperous. It is our leading source of exports at this time. However, it is in great difficulty because the government of Canada has not made its position known. It has left a great deal of uncertainty about the safeguards in the Canada-U.S. automotive agreement. It is my firm belief, and indeed the belief of all those informed in the industry, that the government is about to give up the safeguards of the pact, but they have stated no policy. Not only are the workers concerned, but I know from personal conversations with leading managerial people in this country that they are concerned about what is going to be done with Canada's automotive industry.

The Liberal party has no policy now in terms of the automotive industry on this continent. If it has, it has certainly not revealed it. I have checked the record for the past year in terms of speeches made and questions asked in this House. I have found that the Tory party has no policy at all. It tries to come down on both sides of every issue, both with regard to automotive trade and everything else. They raise serious questions and then suggest that the government is not doing what should be done in the national interest. However, they make no concrete proposals whatsoever about what should take place in this very important industry, particularly in the province of Ontario. In the time remaining to me, I wish to deal with that industry and simultaneously with the important question of the Canada-U.S. automotive agreement. I will do this in terms of three myths that have been created. They have developed in part because of the deliberate failure of this government to shatter them.

The first myth is that the Canada-U.S. automotive agreement commits Canada and the United States to free trade. Over a period of years we are supposed to take down all the trade barriers and, so the story goes, have an open door to a free market. However, Senator Long, the CBC and the Toronto *Star* claim that Canada has reneged. They claim that we have not upheld our end of the promise and involved ourselves in the free trade program to which we were committed in 1965. This government has not come out and said that is a lot of hooey, which it is. The Canada-U.S. automotive agreement does not commit us to free trade. The government of Canada should make this clear. The people of Canada should know that is not the case. I will come back later to the importance of why it should not be a free trade agreement.

The other myth that has been allowed to develop in Canada, allowed by this government and not challenged by the media, is that the Canada-U.S. automotive agreement has been of fantastic benefit to Canada. The impression has been created that this is a colossally successful enterprise for Canada, and incidentally one having only marginal value for the United States, if indeed it is not a great handicap to the United States. Only two weeks ago, Premier Davis of Ontario said the auto pact had created 32,000 new jobs. That is a lot of hooey, as I shall show later.

• (4:50 p.m.)

The third myth is related to the other two. It is that after six years of automotive development in Canada, the renovation of our plants, the stimulation of new production techniques, we are now able to stand on our own feet without relying on safeguards in the pact. Has the Minister of Industry, Trade and Commerce (Mr. Pepin) denied this? Of course, he has not. Has the Prime Minister (Mr. Trudeau) denied it? Of course, he has not. Has anyone in the government denied it? No. The fact is that we cannot commit ourselves to a policy of abandoning all these safeguards nor can we contemplate doing so in the future, and the government should say so.

I should like to give my reasons for suggesting these are myths, I should then like to propose some positive courses of action we ought to take and, indeed, must take if manufacturers are to be satisfied and if the people of Canada who work in the industry are to be satisfied. First, as to the so-called blessings for Canada. The pact came into being in 1965 because for many years we had been running a deficit on trade in automobiles and parts amounting to hundreds of millions annually. Something had to be done about this in Canada's interests, and so the pact came into being. One of the alternatives which was considered at that time, or one which should have been considered by the government, I do not know whether it was, was to rationalize our industry in the same way as the Swedes, the British, the Germans and the Japanese have done. We might have streamlined the industry, leaving only one or two firms, and possibly using an agency such as the Canada Development Corporation to ensure Canadian majority control. That would have been a viable alternative solution.

The other solution, the one recommended by Professor Bladen the one-man Royal Commission set up to consider this subject in 1960, advised streamlining on a continental basis with safeguards to protect both manufacturers and workers in Canada. This solution was accepted. It was accepted by the American manufacturers because it gave them a leading role to play in the industry in terms of future expansion in Canada. They were happy with it then, and they are happy with it now. There is no evidence to suggest that manufacturers on either side of the border are upset about the present situation. Indeed, most Americans outside the treasury department, including those who are members of legislative bodies, are happy about the pact.

What has been the effect of the pact upon Canada? Well, it has not provided 32,000 jobs since 1965, as Mr. Davis suggested, but only 13,000. Thirteen thousand jobs in six years is not a miraculous accomplishment. It is not exactly the second coming in economic terms. In that period, the market in Canada has grown. We might have expected a growth of employment in the industry anyway; it would have come about with the pact or without it.

Here are some figures with regard to employment and production in the industry. In 1965, we were responsible

for about 4 per cent of the total production in North America and consuming around 7.5 per cent of automotive products. We are still producing much less than we are consuming in Canada in terms of North American automobiles. At the present time we are producing about 5.5 per cent of the product and still consuming about 7.5 per cent. According to my calculations, if we got what was due to us in fairness and equity—and the Pact states in its preamble that there is to be fair and equitable production on both sides—instead of the 82,000 people who are now employed in the industry we would be entitled to employ approximately 114,800, an increase of 32,000.

I am saying that in terms of the employment of Canadian workers in this industry we are not yet employing the number of workers in Canada we would be entitled to employ if we were producing as much as we are consuming. My contention, therefore, is that instead of giving up the safeguards under the agreement we should be seeking to strengthen those safeguards. What is needed as a basic minimum is a commitment by the automobile producers of North America to produce in Canada, that is, employ workers, up to a level which would ensure we were producing at least the share of the North American market which we are consuming. This is the kind of policy the government should be pursuing. I would suggest to the Leader of the Opposition that instead of getting up every day to ask broad, general questions, coming down on both sides of every issue every time, he should put forward concrete proposals along the lines I have indicated if he is interested in the Canadian economy and in Canadian workers.

I am about to conclude my observations on the automotive industry. I apologize to the hon. members who know something of this issue for being so brief, but the time allotted to us is limited. There is another important question which must receive consideration by the government. It is: what is to be the future role of the supply of automotive parts in Canada. This section of the industry is presently of importance to more than 100 communities in Ontario alone; they depend for their livelihood on this sector of the industry. Right now, over 30,000 Canadians in 100 communities are not protected by the automotive agreement because automobile manufacturers are meeting Canadian added value requirements out of their own production and plant facilities. In addition to the 100 per cent CVA requirement for the industry as a whole, we need a further requirement which would make it mandatory for the assemblers of automobiles to meet their CVA requirement by getting at least 50 per cent of the CVA share from independent parts producers in Canada. I think it is essential to preserve the jobs we already have, and also to expand the number of jobs in the industry in order to meet in a rational and just way our increasing population needs.

• (5:00 p.m.)

I add that I am not simply making a protectionist argument in the traditional sense. We must have the one requirement or safeguard we need to protect the automotive industry in Canada in general since it is totally foreign owned and acquired. That is the gut purpose, if you like, of one of the original safeguards. We also need the related safeguard in order to ensure that we in Canada maintain facilities in this country to produce parts or components for automobiles. If this facility is not protected, and especially if the government, as I am sure it will, gives up the safeguards for two years, you can be sure, Mr. Speaker, that instead of people in Kitchener, Hespeler, Galt, Oshawa, Oakville and countless other Ontario communities producing automobile parts, these jobs will go to the United States.

We need to protect the parts industry in Canada in the sense that we are almost an integrated market in terms of tariff policy in North America. We are not talking about protection in the old narrow, chauvinistic and technically irrational sense. My point is that we must protect the industry in the event that the automotive pact itself collapses in the next year or two. If the United States decides it is in its interests to repeal the pact, it can do so, as we know, by giving one year's notice. What is going to happen to the Canadian automotive industry if at that time we no longer have a parts industry in Canada? If that is the situation then no longer will we have an automotive industry of our own.

Therefore, I conclude with the following point. The leader of my party spoke very eloquently this afternoon about the need for more control of the Canadian economy and the development of manufacturing industries. He argued that this required an expanding use of public funds as well as a viable private sector. My final point is that the government has completely failed to make the private automobile sector viable on a continuing basis. The Conservative party has offered nothing at all in terms of constructive suggestions. It is the New Democratic Party alone which has a viable, creative and imaginative automobile policy for this country.

Mr. Kaplan: A point of order, Mr. Speaker. Would the hon. member permit a question?

Mr. Broadbent: Certainly.

The Acting Speaker (Mr. Laniel): Order. That will be very difficult unless the hon. member has the unanimous consent of the House since his time has now expired. Does the House agree?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Broadbent: Mr. Speaker, it is with a sense of fairness to my fellow members that I prefer not to cut into their time.

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, I am interested in the way in which this motion is phrased. It is obviously phrased by a man of far greater education and learning than I, and I mean that quite sincerely, but it does present to me a technical difficulty. The government of Canada is asked, without further delay, to frame programs which, among other things, would regain control of our natural resources. To me that seems to be a provincial responsibility and presents a genuine dilemma. How does one sitting here in Ottawa control natural resources when governments in various provinces do what they like with their natural resources and encourage others to exploit them? I enter that one small caveat; otherwise, I think it is an interesting, though somewhat provocative, motion.

The speech of the leader of the New Democratic Party I found interesting and more or less to the point. The second speaker from that party made a perfectly legitimate plea with regard to a problem in the hon. member's own area, indeed in Ontario generally, but his speech did not have the broad range his leader's speech had. I hope that other members from that party who follow will get back to the broader, national plane because there are several points that should be developed.

I should like to have one point clarified by one of the members who speaks later from that party. We often refer to Carter and say that a buck is a buck is a buck. I should like to know if a buck is not a buck when it is a United States buck. I have in my hand an impassioned plea that was made by the hon. member for Winnipeg North (Mr. Orlikow) in the form of a letter dated in April, 1970, in the middle of the province of Manitoba's centennial year, which he addressed to the Bristol Aerospace workers in Winnipeg. In this letter the hon. member said that although he did not like involving himself in these things he felt he should recommend that they take certain action in a dispute involving two unions that were vying with each other in a forthcoming election. The hon. member said he had followed the dispute with interest and went on to say this:

> The policy of the restraint which the Trudeau Government has prescribed as a way of dealing with inflation, has been taken by employers as a directive to hold the line on wages.

That is a political statement, one that the hon. member has a right to make; I could argue with him about it but I will not. That is his view of action taken by the Prime Minister (Mr. Trudeau) of this country. Then, he went on to say this:

> Under these conditions it seems obvious to me that workers would be wise to belong to large, strong unions . . . which have the financial resources to help any of their members unfortunate enough to be involved in a strike . . .
>
> For these reasons I have no hesitation in joining with the members and officers of the International Association of Machinists and with officers of unions affiliated with the Canadian Labour Congress and the Manitoba Federation of Labour, in urging you to support and vote for the I.A.M.—

Now, I do not give a damn which union Bristol has in its plant; that is entirely a matter for the workers in the plant to decide. The point I want to make is that this hon. member, whose party is so violently opposed to United States capital, United States corporations and United States investment in Canada, urges these workers to vote for a United States union solely because they are going to have to fight the Prime Minister of Canada and the policies of the government that are endorsed by this parliament.

Mr. Orlikow: A point of order, Mr. Speaker.

Mr. Osler: I find it difficult to reconcile the presence, on the one hand—

Mr. Orlikow: A point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order. The hon. member for Winnipeg North is rising on a point of order.

Mr. Orlikow: Mr. Speaker, I do not have before me the letter I wrote from which the hon. member for Winnipeg South Centre is quoting, but if he is going to quote from my letter I wish he would quote all of the relevant parts. One of the relevant parts indicates—

Mr. Francis: Why don't you make your own speech?

Mr. Osler: Is that a point of order?

Mr. Orlikow: Yes, it is a point of order because the hon. member is misquoting me. The point of my letter was to urge people to belong to large unions, whether they be national or international, which is not what the hon. member is leading people to believe I said.

• (5:10 p.m.)

Mr. Osler: I suppose it was not a point of order, Mr. Speaker, so you are not ruling on it. However, I would be quite happy to table this letter if anybody wants to go through the procedure of allowing me to do so. There is nothing secret about the document. It was distributed to hundreds of workers and I received one copy.

Mr. Orlikow: Read the whole thing.

Mr. Osler: I do not want to take the time to read the whole thing. The point is that the document reads as follows:

> For these reasons I have no hesitation in joining with the members and officers of the International Association of Machinists and with officers of unions affiliated with the Canadian Labour Congress and the Manitoba Federation of Labour, in urging you to support and vote for the I.A.M. in any representation vote which may be held.

So, I am not wrong. The document urges union members to follow this line. I am not quarrelling with the fact that he can do this. All I am saying is that it seems very inconsistent of a member of his party to take that line when the party is so definitely against the use of American capital for other purposes.

Mr. Broadbent: Why don't you listen to somebody for a change?

Mr. Osler: I will quote directly from the *Canadian Aerospace Worker*. The workers were not taken in by this plea. In fact, they did not vote for this international union. It reads:

> Not long ago, Dave Orlikow, NDP Member of Parliament for Winnipeg North, saw fit, to use the taxpayers government stationery—

To which I do not object.

> —to send a letter to the workers at Bristol Aerospace. From this letter it is obvious that he is being used as a pawn, at the hands of the Washington based Machinists Union. What a tragedy—
>
> While the NDP as a political party has been supported by workers of unions generally, large or small, local, national, and international, it now becomes abundantly clear that Mr. Orlikow at least is not at all interested in the small, the local, or the Canadian Unions.

Mr. Gibson: Shame.

Mr. Osler: It strikes me as very ambivalent that he should be a member of the same party as his leader who feels so strongly and passionately about the rape of this country. As somebody has said, if there is consent there is no rape. Surely, he does not like what is going on, and yet, by God, he uses public stationery to advocate it. I presume he mailed it at public expense, and he has a perfect right

to do so. So there is an ambiguity there which I hope somebody will clarify before this party lets the subject die and descends into local issues like the one which the hon. member for Oshawa-Whitby (Mr. Broadbent) has brought up.

The Leader of the Opposition (Mr. Stanfield) spoke very well and constructively, I thought. He said that we needed an industrial strategy. In his view this is probably a legitimate statement, and it was echoed by the hon. member for Oshawa-Whitby. I would disagree with the statement because I think we are not as bankrupt as he would make us believe. But I would also point out to him, and to the people of Canada, that it is very easy to say we need an industrial strategy, just as easy as for your wife to say she needs a new fur hat or something. However, to adjust to the emergency situation into which Canada and the rest of the world have come in the post war era and to establish a new strategy, is not something that is accomplished by dreaming. Talking about this is far easier than doing anything about it. People are trying to do something about it.

As a matter of fact one of the greatest criticisms is this whispering campaign that goes on about the Prime Minister (Mr. Trudeau) cosying up to this country or that country or travelling to some other country. What do you think he is trying to do but develop a new strategy for trade?

Some hon. Members: Hear, hear!

Mr. Osler: It is not as easily done as one might think it is, especially when he is sabotaged and all his backers are sabotaged by people who go around whispering that all he is doing is having fun. Anyone who has been in business or in politics knows that it is no damn fun flying for a five or ten day visit to a country as vast as is Russia and doing it in an official way. It is no fun going to India and Malaysia for ten days on an official visit. Anybody who has been on business trips and compares them with pleasure trips knows that.

Mr. Nielsen: I will take some of that.

Mr. Osler: A man on an official trip cannot stay up all night, drink, and do a lot of other things, because he knows he has work to do the next morning. He cannot be like an ordinary man.

Mr. Lewis: Move a motion of sympathy for the Prime Minister.

Mr. Osler: Very well, I wish you would move it; but I do not think he needs any sympathy. He is doing all right.

Mr. Broadbent: He is getting all the sympathy from you.

Mr. Osler: My point was that it is easy for the Leader of the Opposition to talk about a new industrial strategy, but surely he must know, as the former Premier of Nova Scotia, that to talk of such a thing and to make it effective are two different things. The Industrial Estates Limited has had its successes and its failures. It has been a very human organization. It has tried. I do not think it has tried as successfully as has the Canadian government, nor has it had as good results, but results are not all that easy to obtain.

As against this illusory, terrible ogre which has been brought up by the NDP and as against the gallant, dashing, knightly calls for a new strategy, what are the facts? It seems to me that the facts are very interesting. We may not have a new strategy but Canada and Australia are the only two countries of any major significance in the industrial world which lack a domestic market or its equivalent of at least 100 million people, and Canada, in spite of this drawback, has not done too badly. I am not sure how Australia has done. Last year we exported $16.9 billion worth of goods and we imported $13.9 billion. Relative to the United States, we achieved a surplus in trade of $3 billion. It is to our success that the Americans have been objecting because they were hurt by it since they had an imbalance in other areas. We may not have a strategy, but that is a good substitute for one.

Mr. Broadbent: Let us hear some facts.

Mr. Osler: The problem is that Canada's total exports of goods and services amount to 25 per cent of our gross national product, whereas in the United States they are only 5.3 per cent. So, the Americans are not as concerned with our problems as we are with theirs. We may not have a policy, but 50 per cent of all the goods produced in Canada are exported and 40 per cent of these exports are finished goods, whereas 10 years ago only 12 per cent were finished goods. This is progress in the direction of the creation of jobs when we do our own finishing in Canada. It is illusory to say we have lost control of the situation and that jobs are being lost. We are frightened that if Mr. Nixon continues with his present policy it is certain that jobs in this country will be lost. But talking of the past, and of the record today, it is stupid and untrue to say that we have lost control of the situation because the situation is improving. The amount of manufactured goods we have exported has increased from 12 per cent to 40 per cent in 10 years.

We realize that the fact the United States is our largest market makes us vulnerable, but we continue to try through GATT to work for free trade and to expand in worldwide trade. We abhor tendencies toward the formation of trade blocs, abnormalities in currency values, U.S. economic measures against Canada and the world, but we abhor those against Canada and the world because we want a freer trade world; we want the United States to remain in that freer trade world with us and we want to remain in that freer trade world with the U.S. There is no way in which we who share this North American continent can separate from each other. Belligerent talk will not do it. Malevolent predictions that the United States are raising absolute Cain with us will not do it. We have to live together. In trade, Canada and the U.S. have exchanged last year the $19 billion worth of goods that I spoke about, which is 65 per cent of Canada's total exports. It is possible that that can be redirected to a certain extent, and we are trying to do that.

• (5:20 p.m.)

Certainly the right hon. member for Prince Albert (Mr. Diefenbaker) had little or no success when 10 or 12 years ago he tried to do the same thing. Perhaps under the present climate and world conditions we will have more success. However, the fact remains that anybody who

ignores the fact that 65 per cent of our exports go to the United States, and that we are terribly dependent on that market, is not facing reality. We know that 72 per cent of Canada's imports come from the United States. That should make us very important in the eyes of the United States. But this 72 per cent of our imports, of course, is only 20 per cent of United States exports. So, the United States does not feel as strongly about our trade relationship as we do. Nevertheless, United States sales to Canada are very significant.

I think the Minister of Industry, Trade and Commerce (Mr. Pepin), the Secretary of State for External Affairs (Mr. Sharp) and the Prime Minister (Mr. Trudeau) have managed to get the message home. I believe President Nixon realizes, both from the point of view of trade and political stability, that he has to be sure his policies in no way hurt us unduly.

Each American bought $50 worth of Canada's goods last year. Every single American is a good customer. We each bought $500 worth of their goods. Every Canadian, to an American, is a very good customer. Thus, we are inseparable. There is no way we can be separated. This is the reality. Belligerent attitudes of undue nationalism will not solve problems because they are not part of this reality.

In reality we are together on this continent. There is no way for us to be anything else. Canada's external trade surplus was achieved in spite of the high value of the Canadian dollar last year and in spite of the serious increase in the volume of imports. This trade surplus is in the order of about $500 million in favour of Canada, which is another reason we have to think of the United States as being a good friend. In addition, the United States market is a finished and semi-finished market for our agricultural produce. This must become greatly expanded in the view of western Canada. We have to find new markets for our products and ways in which to finish new products so that workers can find jobs which are no longer available on the farms. We must find ways to bring these finished or semi-finished products to markets. What is better than the highly populated Pacific rim of the United States along the coast and what is wrong with carrying it on to Japan, China and Malaysia in that way? Without the springboard of the southwestern United States and its large markets, we could not begin to develop economies of scale in respect of the refinishing of agricultural products to allow us to compete in these other world markets. This is another reason, particularly in respect of western Canada, that we must treat the United States as our best friend and as our best trading customer.

Quebec and the Maritimes have similar problems with which I am not familiar, but I have heard from members of these areas that they are very concerned about the health and wealth of the United States because it is a good market for them. It is not all a one-way street.

The fact remains that we do need capital. Capital is mobile and capital can come from anywhere. If too much comes from the United States it causes anxiety and imbalances in our industrial structure. But surely it is up to us as Canadians, and especially as Canadian politicians, to decide what ground rules we want to make and what laws we want to operate under. That is not something to blame the United States for and is not a reason to drive away investment.

The Acting Speaker (Mr. Laniel): Order, please. I hesitate to interrupt the hon. member but the time allotted to him has expired.

Mr. David MacDonald (Egmont): Mr. Speaker, I am grateful for the opportunity to participate in this important debate today. This is the second time within a few weeks that the general subject of the relations between the United States and Canada, and in particular the economic relations and the independence of our own country, has been raised as a matter of debate by opposition parties. I think this points up again, regardless of differences which may exist between hon. members, the rising importance there is in this question. It is certainly not a new question. Indeed, apart from the continual question of the relationship between English and French-speaking persons of this country, it is difficult to find a subject which goes further back into our history than the relations between those who live in the northern half of the North American continent and those who live in the southern half.

In 1971 a new sense of urgency arose. I think the initial guns were fired on August 15 when President Nixon announced a number of economic measures which were taken, not with specific direction toward Canada but because of the internal and external problems faced by the United States, of a nature which had a major impact on Canadians. Certainly, I for one have had to reflect again on the intimate relationship which exists between Canada and the United States. It is a cliché used so often it is like a smooth stone found on the beach to say no two nations have the kind of intimate relationship which exists between Canada and the United States. By the nature of that relationship, similar only I suppose to the marriage relationship, there are bound to be elements both of love and hate. In the last few months we have seen ample evidence of both. On Tuesday of this week, at the same moment the Prime Minister (Mr. Trudeau) made his report to the Commons on his recent talks with President Nixon, outside this building a group of people were protesting the sellout, if you like, or loss of Canadian sovereignty to the United States.

Canadians have lived for a long time with this ambivalent attitude. This may be one of the principal problems we have to deal with. When you live with a continuing problem like this day after day, year after year, and century after century, you tend to think the problem never really changes, that the factors are essentially the same and that how you feel and react to what our country or the United States does is really not of very much consequence because somehow the relationship will go on forever through good times and bad, as the marriage oath has it, in sickness and in health, for rich or for poor, and so on.

An hon. Member: I never heard of "and so on".

Mr. MacDonald (Egmont): "And so on" is a new revised version I have added. In respect of a marriage between Canada and the United States, it is important to reflect on the fact that a marriage can be dissolved not just by death, but by divorce or separation, and that there can be

difficult and almost intractable human problems. I think it is wrong for us to assume that all factors remain the same and that nothing changes. Life essentially is dynamic. It is not static. There are a number of factors that are quite new and which make it very important that we examine these questions specifically.

• (5:30 p.m.)

If we consider some of the events of the past few months, the sale of a major national press, Ryerson Press, which prints many of our text books, to an American interest, the loss of control of major oil companies, the earlier inroads made by American banking institutions into the Canadian scene, even more recently the controversy surrounding the leaked Gray report, the almost immediate visit of the Prime Minister (Mr. Trudeau) to Washington and his comments on the discovery of a new understanding on the part of President Nixon about the nature and the authenticity of the Canadian nation, and only yesterday the release of a document on foreign ownership by the government of Ontario, it must be obvious that there is tremendous interest in this question.

Yet we are told by the Gallup poll released today that when people were asked what they thought would be the overriding issue in the next federal election, overwhelmingly they said it would be unemployment. American ownership was not even in second or third place. It was down in an almost imperceptible percentage position. Only a few people replying to the survey said they thought American ownership, American investment, would be a critical problem. Even the report released yesterday by the government of Ontario has warned us to think carefully about the promotion and exploitation of our natural resources, about allowing for greater foreign inroads into our natural resource sector to the discrimination of secondary manufacturing in Canada and said that this could create extensive unemployment.

I would say one of the problems with which political leaders, provincially and federally, have failed to grapple is the relationship that may well exist between either cyclical unemployment or increasing unemployment and inattention to the question of domestic priorities for the Canadian economy. If it is in fact true, Mr. Speaker, that we have inadvertently ignored some important questions in terms of the way in which we control investment activity in this country, and that this has discriminated against employment, we have misled the Canadian public on two counts.

We have to be circumspect about further American involvement in our resource industries. We must begin now—in fact, now is very late and possibly too late in some sectors—to define those areas wherein it is in the Canadian interest to discourage further American involvement and prohibit continued American monopoly. We have to define these areas and in some cases proceed to a process of rectification almost regardless of the cost.

These will not be popular words to certain segments of Canadian society but I feel they must be said if we are to protect the over-all standard of living that seems to be uppermost in the minds of many. I think it is fair to say that in our willingness and desire to achieve a standard of living equal to that of the United States we have often taken a shortsighted approach to the development of our economy and particularly to the development and utilization of our natural resources. This, again, is part of the Canadian ambivalence.

We cannot live so close to our neighbours and absorb as much of their culture as we do, from the moment we open our eyes in the morning until we close them in slumber at night, without experiencing a desire to achieve a standard of living equal to that of the Americans. And if the price of that standard of living is some loss of control over sectors of our economy, in the past we have not considered that cost to be too great. It appears that if we suffer loss of control over our natural resources we may also suffer a loss in our standard of living and so will have gained the worst of all possible worlds.

It seems to me that we must be extremely careful to examine where our present economic policies, our present taxation proposals and our present regulations, both federal and provincial, are leading us. It is obvious that we have not looked very carefully into this question. Indeed, one of the real problems for us in examining this question is the lack of trust that has existed in the federal government in exercising jurisdiction in these matters. If there is anything that the present government can be blamed for, it is its lack of trust in the Canadian people regarding this issue. The government has succeeded in the last few months in fogging-up or, if I may say so, "Graying-up" the key points that are involved in this area to the extent it is becoming increasingly difficult for Canadians to see the essentials of the issue in order that a reasonable and sane analysis might be made.

Even though cabinet ministers have resigned on much these same issues, to date the government has been unresponsive to these important questions. One of the fascinating things to indicate the dilemma presently facing us was the immediate reac ion of provincial Premiers following publication of the Gray report. It was fascinating to watch four Premiers from different parts of the country indicate the horror with which they viewed the suggestions in that report in terms of the adoption of a screening agency and such kinds of bureaucratic intervention that might take place on the part of the federal government. This said as much to me about the deteriorating situation with regard to confidence between the federal and provincial governments as it did about the nature of the problem itself.

It is understandable that the governments of the provinces become uneasy when federal initiatives appear to threaten their own efforts at bringing development to their jurisdictions. We can understand all too well the anxiety of the poorer provinces—I may say in passing that I represent one of those poorer provinces—that are faced with continuing uncertainty by foreign investors who through their investments might succeed in aiding the development and economic expansion of those provinces. That is an anxiety that must be dealt with by any group wishing to deal in a realistic sense with this problem.

In the first instance we will require an integrated approach that will have more to it than inflated rhetoric or nationalistic fervour. It requires more than leaked reports and unilateral policy positions. It requires, in the first instance, that there be the fullest possible consultation. Indeed, I think the word "consultation" for this government is too weak because in effect it means a telegram

sent at some strange hour of the day. The government calls that consultation and then proceeds to do exactly what it had decided in the first instance.

That is not what we mean by consultation. Consultation must allow for a continuous interchange and exchange of views and the establishment of goals and priorities on which there is a consensus within the country. It is interesting that Premier Davis, in releasing the report on foreign ownership in Ontario yesterday, suggested that the government of Ontario would not move until there was some clear direction from the federal government.

Second, Mr. Speaker, there would have to be some form of agreement by the provinces—

Mr. Kaplan: Do you agree with that?

Mr. MacDonald (Egmont): I do.

Mr. Kaplan: Why?

Mr. MacDonald (Egmont): Because we are talking about a federal system, not a unitary system as is sometimes conceived by members of the government. If they are not prepared to recognize that we are in a federal system, this will have a very serious effect on the important question of economic self-determination. We must deal with the anxiety of the provinces, and that can only be dealt with in terms of ongoing federal-provincial development of national criteria on foreign investment and national economic goals.

• (5:40 p.m.)

I agree with my leader when he suggests that we must have an industrial strategy which takes into account the realistic economic situation of this country. We will not get that until there is consensus as to goals. Perhaps it points up the way in which the government has failed to grapple with this question when we consider what kind of priority it has given to the elaboration of goals in regard to regional disparity. Unless we take these issues seriously, none of the provinces should be asked to take this government seriously when it talks about a strategy for foreign investment and Canadian economic determination.

Mr. Kaplan: It is not a unitary system. The provinces also have a responsibility to put forward a policy.

Mr. MacDonald (Egmont): I am glad that some members on the other side are beginning to see what is involved in a federal system. I hope the hon. member will say that in his caucus.

Another thing to be taken into account is the dramatic change in the direction of activity of the United States economy. It is too soon to predict with accuracy the course on which the United States is launched, but it is obvious that they have taken a firm hand in the direction in which they wish their economy to go. This will have a continuing impact upon us and will call upon us to make new decisions with regard to our economic situation.

I would remind hon. members that the decisions being taken by the United States are not only because of individual or short-term problems concerning abnormally high unemployment or rising inflation, but they are also related to the changing nature of the American economic structure. This has changed very dramatically in the area of natural resources. It is only in the last decade or so that the United States has had to rapidly increase its importation of natural resources in order to meet consumer and industrial demands. We must pay attention to this matter because of our own situation, sitting as we do on the northern part of this continent with tremendous untapped natural resources.

It would be very easy for us in this decade to enter into attractive, short-term options which would make a variety of natural resources available to the Americans to satisfy their needs. However, we might discover in the latter part of the decade or early in the next that the requirements of the American economy would make it necessary for them to exercise the kind of choices and controls that would be completely unpalatable to the effective working of our economy short of a full economic and political union with the United States. In spite of the ambivalence that all Canadians feel with regard to the United States, I doubt whether there are many who would look forward with pleasure to an eventual and total absorption into that nation.

What is our task, then? Surely, our task for the moment is to consider in the widest possible way and with the greatest possible public discussion what our goals should be. We have talked about this in vague generalities in the past. I think the time has arrived when we should be specific.

Mr. Kaplan: Have you any ideas?

Mr. MacDonald (Egmont): I had the opportunity, and I hope we will have a further opportunity, to discuss this. I think in the short time that is available I can do little but set forth something to which I hope members on the opposite side will respond favourably. We must establish machinery for consultation that will work both ways. It must be identifiable machinery for the establishment of these goals which will involve provincial administration, which will involve key sectors of our economy such as industry, labour and the growing academic communities so there can be the fullest possible input in the discussion.

There must also be consultation beyond our borders. Sometimes I think we live in a kind of fool's world where we allow ourselves to be caught out because of lack of information of what is happening beyond our borders. Obviously, we must have machinery to receive information and for consultation in Washington and in the European countries where there is increasing economic activity.

There is also a need for comprehensive industrial planning. This includes an approach which will recognize that there are certain sectors of our economy that are crucial to our own development and the maintenance of economic independence. I think we have to begin the experiment and explore the possibility for diversifying our trade pattern which at the moment is extremely bilateral with the Americans, as well as diversifying the investment pattern and also enlarging it within this country. In many instances the main banking institutions in this country are more favourably disposed to large multinational American corporations than to Canadian business enterprise.

We must consider what steps can be taken to encourage Canadian participation in the investment in and development of industries in this country. Our industry is less efficient than it is capable of being, and does not use the industrial structures available. We must look to the development of our own technology and management expertise.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, this debate on the subject of American control and foreign policy arises from the motion which reads:

> This House calls on the government to institute without delay policies and programs designed to arrest further expansion of foreign control of Canada's economy and to regain control by the Canadian people of our natural resources and manufacturing and service industries in order to assure our country's independence and jobs for Canadian workers and to enable Canadians to shape their own national identity and social values.

This motion was moved by the leader of the New Democratic Party and is the subject of this debate. I shall deal with his speech later in my speech. First, I shall try to be constructive with the knowledge that I have, some of which was gained in the Canadian-American study conducted by the Standing Committee on External Affairs and National Defence. We heard many witnesses from all walks of life who had investigated this problem. They were both Canadian and American. I believe that study was useful and the report has received the serious attention of this government.

What are the problems, Mr. Speaker? Any Canadian government seeking to formulate a policy on foreign investment faces the difficult problem of finding a balanced position. On the one hand it must consider the continued need in Canada of the new technology and highly skilled entrepreneurial technique which has traditionally accompanied United States investment in Canada. There is also the need to supplement the small Canadian domestic market with foreign markets, which accompanies United States investment in many cases, in order to permit economies of scale in Canadian production. Of concern is the integrated financial market between the two countries in which there is a large, two-way flow of capital and also the interdependence of the two countries in trade.

• (5:50 p.m.)

At the same time there are the following, additional complications to be kept in mind: (a) the provincial desire to promote regional development which leads the provinces to compete with each other in granting concessions to foreign investment bidders, and (b) the geographical and social proximity of Canada to the U.S. which makes unacceptable a markedly inferior standard of living for Canadians.

The government will be mindful of the advantages of U.S. investment, namely, the large capital inflows available for Canadian resource and industrial development, the advanced technology, the highly developed managerial skills, production techniques, financial and marketing skills which usually accompany U.S. investment, the resulting expansion of employment, the possibilities for increased exports due to access to expanded or new markets, the stimulus, at times only, to competition and the capacity of the multinational firms to develop economies of scale in production which may be impossible for Canada to develop indigenously in some cases.

There are also increasingly evident disadvantages connected with U.S. investment to be considered, particularly disadvantages related to the extraterritorial application, through Canadian subsidiaries, of U.S. laws and policies dealing with control of exports, anti-trust regulations and balance of payments, disadvantages associated with the leverage and manipulating power of huge multinational corporations and disadvantages related to the high concentration of U.S. ownership in key resource and manufacturing industries, with the attendant fears that important decisions made by such U.S. companies which have interests extending far beyond Canada may not be in Canada's best interests. These would include decisions regarding purchases, sales, research, processing, production, pricing and export sales.

With these considerations in mind, the government has open to it the following possible lines of policy and could use a mixture of both. First, there are restrictive policy possibilities. As in several countries, a government foreign investment agency could be established to regulate to a greater or lesser degree foreign investment. Second, there are positive policy possibilities. A bill to create the Canada Development Corporation was passed recently. The corporation is expected to be a leader in positive and imaginative government policies to increase Canadian control of the economy. It is intended to be a new and major source of equity capital for large-scale industrial and resource development, to help finance new Canadian-owned projects and to play a leadership role in organizing small, potentially uneconomic Canadian companies into larger, more viable enterprises through mergers or rationalization schemes. This is particularly likely to be applied in sectors of manufacturing where technology dictates economies of scale beyond the scope of the small firm or of the Canadian market.

It may enter into joint venture schemes. It will probably try to provide an attractive alternative to entice back to Canada extensive Canadian investment, both institutional and private, in the U.S. and will eventually offer its shares widely to the Canadian people. However, the corporation will not become a buy-back agency solely to protect Canadian companies from sales to foreign buyers. If those who keep knocking the Canadian Development Corporation will stop playing politics with it and give us their best ideas on the subject, the corporation will work.

The government could also introduce a whole range of incentives for companies to increase Canadian equity participation or Canadian personnel or to follow other of the government's guiding principles. As was suggested in the government white paper on taxation, capital gains on U.S. investment could be subjected to heavier taxation than capital gains or Canadian investments. Legislation could be enacted that would countervail the effect of the extraterritorial application of U.S. laws; for example, those relating to the U.S. anti-trust laws which may inhibit necessary rationalization schemes of Canadian industry. We must undertake research in technology and scientific development, expand our economy and make efforts to

produce those things that are produced in foreign lands. All this is within our capability. We are a young, strong country. We have the will to do it, and with the help of the good Lord we will do it.

Some hon. Members: Hear, hear!

Mr. Gibson: Mr. Speaker, the government could introduce policies in other areas which would help to stimulate industrial development, strengthen competition and improve Canadian technological and managerial skills. These are policies which might tend to reduce the Canadian industrial dependence on foreigners. Measures could be adopted which would provide incentives for Canadian firms to expand their operations and investments abroad in order to capture new markets for Canadian exports. Also, the government could initiate talks with European countries which face similar problems regarding the extraterritorial application of U.S. laws and powers of the U.S.-based, multi national corporations with a view to possible concerted multilateral action.

Having said that, I believe that the government acted with courage and initiative in approaching the gigantic problems created by the United States. What did the government do? Immediately, as soon as it was aware of the difficulty, the government introduced the Employment Support Bill which in the short run will protect many jobs in Canadian industries. This was done without panic, with deliberately planned initiative. The step was taken promptly and was well thought-out. The measure appears to be working well, in this interim period, to alleviate some of the uncertainty that has been brought on by the American decision.

May I call it six o'clock, Mr. Speaker?

The Acting Speaker (Mr. Laniel): It being six o'clock, I do now leave the chair. The House will meet again at eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Gibson: Mr. Speaker, this afternoon when the Leader of the Opposition (Mr. Stanfield), representing the Official Opposition, droaned through a long list of pessimistic, dull, unimaginative, fairly critical statements I was reminded of the day I came to this place in 1968. One of the things I told myself was that we must be optimistic if we are to succeed, for an atmosphere of pessimism has to a certain extent permeated Canada in the past few months.

Mr. Alexander: Guess why?

Mr. Gibson: I believe part of the reason is the irresponsible conduct of leaders and members of the opposition parties. Some concrete examples of these forms of pessimism which are damaging the Canadian economy are statements given by party leaders over television bemoaning the economy, the actions of the government and the activities of cabinet members who work hard with their representatives at meetings, in their constituencies and in this great House of Commons.

Day after day we are treated to pathetic, insipid criticism of a banal type which does not behoove any Canadian Member of Parliament. I respectfully submit that the role of a Member of Parliament is not to run down his country, particularly when the United States of America has put great pressure on the men who hold the reins of office in Canada be they federal, provincial or municipal. The hour has come for Canadians of every political stripe and colour to band together, use collectively their brains and initiatives in order to work out a solid policy of co-operation with the United States and bring this country back to the "good neighbour" policy of Mackenzie King and Roosevelt. That can be done, Mr. Speaker, and it shall be done.

Some hon. Members: Hear, hear!

Mr. Gibson: Mr. Stanfield—excuse me Mr. Speaker; I apologize for naming him.

An hon. Member: That is not a good name.

Mr. Gibson: To sum up his speech, the Leader of the Opposition suggested that we have guidelines. We have guidelines but they are not working well enough. I may be a backbencher in this party but I am not satisfied that everything is milk and honey in our economic relations and policies. We will build a policy. We will do it with the help of Canadians of all parties. In this debate some useful suggestions have come from across the floor.

Mr. Mahoney: Name one.

Mr. Gibson: The hon. member for York South (Mr. Lewis), who is a member of the Standing Committee on External Affairs and National Defence—and has studied Canadian-American relations, made many useful suggestions in his speech. There was some scholarship and initiative in his speech.

I do not intend to refer to all the other speakers, but the Leader of the Opposition failed to be really constructive. He delivered his speech carefully but monotonously. It was a monotonous, pedagogic, trite speech, one you might have heard from Mr. Graydon, Mr. Hanson, Mr. Drew, Mr. Bracken and all the other unsuccessful opposition leaders of the Conservative party. I speak from direct observation. When I was 16 years old, I sat in the gallery. My father was a member of this chamber. I remember hearing the same old doom and gloom being preached to the government of that day.

This government will lead the country back to a successful, sound economy. Who are the unselfish bureaucrats who will replace the business leaders? That is what the Leader of the Opposition asked. That is a ridiculous generality. It is a trite, outdated, antiquated sentence which should be struck from all government or opposition speeches. Let us get down to practical analysis as was done by the hon. member for York South in the part of his speech when he was serious.

• (8:10 p.m.)

An hon. Member: He is alright, then?

Mr. Gibson: Yes, on certain aspects, because he did face the problem of export credit and some kind of control commission to screen capital when he complained of lack of strategy and development guidelines. The speech of the Leader of the Opposition added up to a string of undefined guidelines floating uncertainly in the air like a rudderless Tory party to the tune of many dangling participles and split infinitives, signifying nothing.

In the other part of his speech the hon. member for York South displayed a callous indifference to the likelihood of success of the Canada Development Corporation. Despite his cynicism displayed in a dull and unimaginative way, he ended by trotting out the same recommendations as were made by the largely Liberal-drafted external affairs committee report. If there was anything new in what he said, it was renewed arrogance mingled with humorous hot air. He should move over and make way for a new vigorous leader, perhaps his son.

Some hon. Members: Hear, hear!

Mr. Gibson: In the event his party's ideas are always as unimaginative, there will always be great hopes for gains by Liberal supporters contesting NDP seats. No new ideas are being advanced by members of the opposition except as earlier referred to, whereas members of the Liberal party have shown imagination, courage, firmness and a desire to succeed.

Some hon. Members: Hear, hear!

Mr. Gibson: The hon. member for York South merely repeated many of the conclusions of earlier trite speeches.

[*Translation*]

I would now like to express my feelings in my second language.

Mr. Alexander: Try German!

Mr. Gibson: No, that is not possible. But I must say, Mr. Speaker, that we in the Liberal party can speak both languages, contrary to the members of the opposition, and that we shall continue, with these hon. members, to make progress.

[*English*]

I am sorry the hon. member for York South has not been here while I was speaking. The hon. member's speech was a bitter, frustrated, partisan, NDP speech. It was delivered by a frustrated member annoyed by the misguided wafflers in his party, the impractical visionaries and inexperienced professors, most of whom have never suffered the agonies of unemployment and who cannot themselves be dismissed from their secure university positions due to monopolistic rules governing the teaching profession. I resent the stagnation that comes from many parts of this House and I encourage all members to come forward as some have done in this debate with constructive, positive suggestions to make Canada a great, strong country.

Some hon. Members: Hear, hear!

Mr. Doug Rowland (Selkirk): Mr. Speaker, I am not sure whether I should check for dangling participles before or after I have spoken.

There comes a point in any discussion of the necessity for Canada to maintain its political and economic independence when someone must pose the question: why do we wish to maintain political and economic independence? An attempt must be made to answer that question.

I think that the inarticulated major premise of any argument for Canadian political and economic independence is that there are some aspects of the Canadian culture which are unique and different. They are valuable and worthy of preservation, partly because of their unique quality. If that is not part of the thinking behind calls for economic and political independence there would seem to be precious little reason for pursuing those goals.

Human awareness of a situation is seldom, if ever, contemporaneous with the birth of that situation. There is a time lag between the creation of a new reality and a human perception of awareness of that reality. Thus, while Canadians were busily disentangling themselves from Britain whose power was on the wane another and very real danger to the continued existence, not to mention the flourishing of, a distinct Canadian identity, crept up on us. Donald Creighton, writing in MacLeans Magazine of November, 1971, describes the new threat in the following words:

> The truth is that Canadians, in accepting American capital, American management and American technology, have unwittingly received the spirit that animates all three. They have not only become subjects of the American continental empire, but they have also become converts to its characteristic philosophy of life, to what might legitimately be called its religion. The central doctrine of this religion is a belief that progress is the only good in life and that progress means a liberation of man for the progressive conquest of nature by technology.

Professor Creighton went on to say:

> This new doctrine (the doctrine of continual economic growth) has captured the minds of Canadians, just as it has those of every other people in the western world. To achieve economic growth, they are prepared to sacrifice their independence, pillage their natural resources, contaminate their environment and endure all the hideous evils of modern industrialization and urbanization. The American empire is taking over the birthright of Canadians; and its imperial religion has taken over their minds.

What is this new religion, as Professor Creighton calls it, replacing? What have we got to lose? Tolerance is one thing. Tolerance is a peculiarly Canadian virtue—a virtue and a vice, I suppose. Peter Newman made one of the best stabs at describing what is unique in Canada in the same edition of MacLeans in which is to be found Dr. Creighton's article. He said:

> What we tend to say when we are exhorting our countrymen to stand up for Canada is that we need as a people to be more energetic in tackling our trade problems, to develop a stronger technology, to be less timid in our patriotism, more aggressive in pushing our own point of view—to be, in other words, more like the Americans.
>
> But surely, what we have that is ours, the quality that makes us special as a nation, is almost antithetical to all of these admonitions. It's what Creighton himself calls our "inherited Canadian belief in an ordered peaceful society and a gentle and simple way of life! The Canadian character, by definition, displays a reticence, a disdain for xenophobia, a dislike of bombast, and a genuine desire to let each other be. In part, it comes out of being small, out of not having to be first, out of being able to encompass the indigenous in very different cultures of the regions without having to savage them in the name of some monolithic concept called Pan-Canadianism. There is something very special about a man from the outports, say, that may seem very strange to a man from

the Peace River country. He is a Newfoundlander and he is a Canadian, but he can be both.

• (8:20 p.m.)

It is that which stands in danger of being lost. Realizing the fact that it stands in danger of being lost is perhaps the first step to preserving it.

To see that it stands in danger, we need only look around us. American-inspired fads and fashions, techniques of production and modes of consumption, standards of living, economic, social and religious ideologies and philosophies of life generally have become increasingly popular in Canada. It is probably safe to say that most Canadians eat much the same kinds of food, wear the same kinds of clothes and live in the same type of house or apartment as do Americans. Our respective educational systems teach much the same subjects, use similar techniques and attempt to inculcate much the same values. English-speaking Canadians and Americans read much the same books, magazines and comic strips, watch the same movies and television programs, respond to the same type of advertising and buy the same kinds and brands of automobiles, household appliances, clothes, packaged goods, cosmetics and patent medicines. They participate in the same types of sports and other recreational activities. They join branches of the same lodges, fraternal societies, service clubs, scientific, trade or professional associations. But in all of this similarity there is one hitch for those of us interested in preserving what is unique in this country: all of the similarities are American oriented, American initiated and American dominated.

This process has gone so far that many Canadians have come to think that making the effort to remain Canadian constitutes a sacrifice. They believe that instead of gaining something in strengthening our ability to be ourselves, we would be losing something. This is the most insidious thing about the situation in which we now find ourselves.

The manner in which our thinking is directed is both subtle and direct. Take as an example our social organizations. As I have said, historically Canadians have organized and joined branches of the same lodges, fraternal associations, service clubs, trade, scientific and professional associations as Americans. The presence of a large number of American social organizations, whether formal or informal, in Canada may well serve to reintroduce or reinforce American values which are already being presented to Canadians through the media of communications which are also American dominated. That may or may not be considered a threat to Canada. However, these social organizations, by acting as informal lobby groups for American interests or by determining the direction of social research, do conflict with Canadian cultural, social and political goals.

I mentioned a moment ago that the influence of the American media is exceptionally profound. Through the various communications media Canadians are made constantly aware of American social problems and America's reform tradition. Social issues which may or may not have originated in America are often popularized first by the United States. Due to the extent to which American technology, people, ideas and methods of operation are already present in the Canadian social structure, Canadians tend to absorb the popularized version—which is

[Mr. Rowland.]

American—of social issues in such a way that it tends to affect our ability to deal with similar social problems which become apparent in our own society. We accept the package deal. The reform element often adopts the style, the jargon and the literature of the American reform element. The rest of the Canadian population often acts on the judgments made about the similar American situation.

All of this process tends to ignore the fact that Canadian social institutions and Canadian social problems are often difficult clearly to define; in fact, the American influence makes their definition even more difficult. It also tends to ignore that Canadian social institutions tend to operate and respond in a different manner from American institutions and to respond to situations in a different fashion from their American counterparts.

Thus, through the American influence we may well be misdefining our social problems and misdirecting our efforts to correct them because both the statement of the problem and the structuring of the solutions are based upon experiences alien to our own in fact, but which seem to be our own because of the presence of the American thinking pattern in our media. We are perceiving our own country in a very confused manner and are not able adequately to deal with our problems because of this confused perspective.

Let us look at the situation in Canada with respect to our culture and the things that affect our culture. Of the 20 top television programs, only three are Canadian. Only 5 per cent of the book publishing industry is Canadian owned. Only about 20 per cent of text books found in Canadian schools are Canadian in origin. Forty-nine per cent of professors at Canadian universities are of foreign extraction. Only three out of 16 National Hockey League teams are located in Canada. Many of our outstanding artists and dramatists must leave this country to find employment and challenges that are commensurate with their abilities. Hume Cronyn, William Shatner, Lorne Greene, Donald Sutherland, Norman Jewison, Rich Little, Paul Anka, Douglas Raine and a legion of others have left Canada in order to find a suitable outlet which did not exist here, for their talents.

This fact has produced some ridiculous situations which, if they were not so painful, would be laughable. For example, in today's *Globe and Mail* it is noted in Blaik Kirby's column that the Canadian Broadcasting Corporation has purchased from New York a new dramatic anthology for its next summer's programming. This program was made by Canadian stars with supporting players from Toronto. Some of the plays are written by Canadians. It was produced by CFTO in Toronto, yet our national broadcasting system had to purchase it from a United States company.

Having said that, I do not want to leave the impression that nothing has been done to preserve Canadian culture, because that is not correct. For example, the Massey commission gave rise to the Canada Council which has done excellent work in fostering the dramatic arts and the fine arts in Canada. A few years ago an attempt was made to assist Canadian periodical publications through changes in the Income Tax Act which quite deliberately discouraged Canadian advertisers from placing their ads in United States periodicals. However, the only thing

wrong with that was that two of the most popular United States periodicals in Canada, *Time* and *Reader's Digest*, were excluded from the provisions of the Income Tax Act, so that the purpose of the changes was defeated in the end. This part of the Income Tax Act must be changed and the exclusion of *Time* and *Reader's Digest* dropped. This will do more to encourage Canadian publications.

In the field of radio and television the CRTC has been taking bold and imaginative steps to increase Canadian content. It is a measure of how far down the road toward integration with the United States we have gone that most of the efforts have been met with screams of protest from special interest groups and the public alike. But if I may be permitted an aside at this point, not all of these protests lack justification. In its endeavour to ensure that the Canadian electronic media remain Canadian both in ownership and in content, the CRTC has not really looked beyond the nationality of the owners and actors who are employed. It has done very little to ensure that the distinctive character of Canada is reflected in our electronic media.

Thus, Winnipegers can perhaps quite justifiably scream about the potential dangers of suggested changes to the Income Tax Act for a local American television station because in all likelihood if the American television station is forced to close, and if the CRTC's anticipation that more money will be available for the production of Canadian television is realized, production facilities will probably be centred in eastern Canada. The actors will have to move to eastern Canada and once again the Atlantic provinces, British Columbia and the Prairies will be left out in the cold. Therefore, it would seem that in our attempts to solve the problem of cultural assimilation we must make sure that the solutions we propose will have the effect of accurately reflecting Canadian realities, the regional nature of this country, and we must ensure that the insensitivity of American capital to the nature of this country is not simply replaced by equally insensitive central Canadian capital.

• (8:30 p.m.)

A beginning has also been made in the film industry with the creation of the Canadian Film Corporation to ensure Canadian content in the area of popular culture. The Canadian Film Corporation has sponsored some films which have received deserved wide acclaim. It has also produced some real dogs. But I think the idea of the Canadian Film Corporation should be expanded and perhaps the corporation should start producing films specifically for showing on television since movies on television have a high audience appeal. The only major fault with the Canadian Film Corporation is that perhaps it is not adequately funded.

I think we are unduly sensitive about producing the odd bad film. Every nation in the world with a film industry produces more bad ones than good ones, and I do not know why Canadians should expect to be any different. That is not to say that criticism is not legitimate. It is. And the more criticism, the better the end product. But the critics should remember that experimentation is the essence of creativity and experiments have, by their very nature, a high failure rate.

I would be very much remiss if I did not mention, in the context of the Canadian film industry, the contribution of the National film Board. I know that every member of the House is acquainted with the excellent work of that body and I need not go into detail. What is distressing to me is that when this government felt the need some three years ago to cut back on government expenditures, one of the first places to feel the axe was the National Film Board. This would seem to me to be a drastic mix up in priorities.

There is less reason for optimism in other facets of the Canadian culture. Our book publishing industry is 95 per cent foreign owned. In the last two years we have seen the sale of major Canadian publishing houses such as W.J. Gage Limited and Ryerson Press. We have seen the threat of the sale of McLelland and Stewart prevented, perhaps only temporarily, by the action of the Ontario government. We have seen the Secretary of State (Mr. Pelletier) holding conferences with Canadian book publishers in order to hear their suggestions for improvements. We have heard statements from the minister that action must be taken, but no action has been taken.

We need to ensure that the decisions about what we are to read are made by Canadians with a Canadian point of view, attempting to meet Canadian needs, rather than by Americans. We must immediately embark upon a five-point program. First, we must establish a Canadian book development corporation which would operate similarly to the Canadian Film Corporation. It would provide loans for the publication of books in the expectation that any profits derived therefrom would be shared by the corporation. Moreover, those loans should not necessarily relate to a single book but, perhaps, to a group of books so that the losses sustained by some would be covered by the profits of others. This would be necessary in order to assure adequate diversity in the kind of books published.

Second, the federal government should provide long-term, low interest loans to Canadian book publishing houses through institutions such as the Industrial Development Bank. Third, funds should be made available by the Humanities Research Council and the Canada Council for the publication of scholarly and artistic works by Canadians. Fourth, a Canadian-owned book distribution system should be established in competition with those systems which already operate in Canada but which are American owned. Fifth, there should be efforts made by the government to get Canadian publishers to co-operate in the establishment of a Canadian book publishing house in the United States which would potentially increase the volume of sales of Canadian books. The need for such measures is well documented.

I have been informed, in answers to questions placed on the order paper, that in 1968, when W. J. Gage Company was still Canadian owned, 22 Canadian companies supplied textbooks to Canadian schools and provided only 40.3 per cent of the total textbooks employed by the schools. Since then, W. J. Gage and Ryerson have been sold to American interests, so the percentage of Canadian textbooks being supplied to Canadian schools by Canadian publishers is now probably down to about 20 per cent.

In the universities the situation is worse. A survey prepared by Mr. Rod McDermitt and Mr. Art Skolenski entitled "The Textbook Racket" points out that 80 per cent of all library and 92 per cent of all university bookstore

purchases are books not published in Canada, that only 17 per cent of all post-secondary textbook sales are from domestic publishers and roughly half of this number are published on the basis of adapted rights, and that therefore less than 10 per cent of all university texts are of Canadian origin.

As schools and universities move into machine teaching the situation is likely to become even worse. Most of the material used in machine teaching is prepared in the United States. The results of this domination of our publishing industry by U.S. publishing firms is one of the major factors producing the kind of situation recently revealed in a survey conducted by York University in which it was disclosed that Canadian students identify more closely with American presidents than they do with Canadian prime ministers.

I have much more to say on this subject of culture. I wanted to deal with sports, for example, but I see I do not have the time. I would like to conclude with this final thought, that economic, political and cultural independence are closely linked and interrelated. If we are to have any one of the three we must also have the other two. That fact must never be forgotten by the government in its efforts to meet the situation. I hope with that thought in mind the government will get down to work and present us with the policies and the legislation we require to keep this country ours.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, the motion we are debating today is a timely one, even though it was debated two weeks ago, because the problem of foreign ownership is so much in the public mind today. It was said that one of the prime reasons for which the Prime Minister (Mr. Trudeau) went to the United States last Monday was to inform the President that there would be new restrictions placed on foreign investment in Canada, meaning in our case American investment in Canada. Indeed, the newspaper pundits have been suggesting that this is a carefully planned move on the part of the Prime Minister, because they point up the following event. On June 18 the government introduced a tax bill which incorporated major reforms in the field of tax advantages for Canadian businesses and tax disadvantages for United States-owned businesses operating in Canada. It contained other provisions to force Canadian pension funds and certain additional passive investors in this country to invest less in stocks listed on U.S. exchanges and more in Canadian equities. Then on June 29 the competition act was introduced in the House of Commons, containing major innovations in the field of regulating the activities of foreign firms entering the Canadian market through takeovers and similar devices.

Finally, on June 30, an act to establish the Canada Development Corporation was given royal assent but has not yet been proclaimed. The major, unstated purpose of the CDC is to give Canadian vendors of major profitable enterprises an alternative buyer. In the past it has been stated that only the United States has been able to acquire them. There is no doubt that the brunt of Canadian policy to curb foreign takeovers will fall most heavily on U.S. firms which have the greatest propensity to invest in Canada. There is no doubt that if there is a change in the Canadian receptivity to U.S. direct ownership capital, this could precipitate retaliatory action by the United States. This would mean cutting off or limiting access to the United States bond markets or borrowing by Canadian provinces and municipalities.

Canada, as usual, in dealing with the United States does not want the United States to curb trade or to shut-out borrowing by our provincial governments in the American market. So it seems, from the answers given in the House by the Prime Minister, that he went to Washington to inform the Americans that he is about to make a significant announcement as to what Canada will do in the matter of foreign investment. Therefore, it seems likely that in the near future we can expect a significant announcement by the Prime Minister with regard to the value of keeping out foreign investment in particular areas.

• (8:40 p.m.)

The ill-fated Gray report which was leaked has been deliberately designed so that its main arm and its main weapon against foreign investment is the so-called screening agency. And we no doubt are to be shortly treated to an announcement by the government that such an agency will be set up. It seems doubtful that such an agency will be able to act in a fundamental way to safeguard our national interest. It will act only to safeguard the regional interests of Canada, and the area to be safeguarded in Canada by the screening agency is, of course, central Canada. That a better method of dealing with foreign investment must be devised, in view of what has been an ad hoc basis of this government's intervention, can readily be seen.

There is the former Dennison Mines case, where the government intervened at the last minute to prevent the sale of uranium resources. There is the Home Oil case, where at the last minute the intervention of the government prevented the sale of a Canadian company to a United States company on very doubtful grounds. Then, again, the government allowed the sale of a Canadian oil company to BP Supertest, presumably on the basis that this was an English company and not a United States company and therefore more desirable in respect of foreign capital.

In the recent action of the National Energy Board in barring the export of natural gas to the United States we have a further example of how our ad hoc system of dealing with foreign investment is being brought about. The price of natural gas has risen because of its pollution-free qualities. Since 1959, about $100 million has been expended by American gas companies in finding reserves in Alberta. The Alberta energy board had okayed the export of natural gas and felt the reserves would be adequate, but the National Energy Board, acting in some divine manner, reversed this decision and did not allow the export of natural gas. In appearing before the miscellaneous estimates committee, representatives of the National Energy Board revealed that their prime reason for doing so was that two plants in industry were experiencing difficulty operating in high pollution areas in Ontario, that it would probably be necessary to change to a less pollutant type fuel and that these hydro plants would have to be protected.

Even the National Energy Board admitted that the use of natural gas in hydro plants would almost certainly be short lived because coal is a much cheaper fuel and it is only a matter of the time and money, mostly time, necessary to allow the thermo generating plants to get in a position to use coal as a pollution-free fuel. So the decision of the National Energy Board was made not to export gas. This was a political decision made with a minimum of political effort.

These decisions of the government to move on an ad hoc basis were made easy from a political point of view. They discriminated against western Canada, which the present government feels it is entitled to do at any time. They discriminated in the field of natural resources, the non-renewable resources which are such an emotional issue and which everyone has a vague fear some day will be used up. The general feeling is that we should conserve these resources for our own use. We perhaps forget that we sometimes use other people's resources, which we think is quite all right.

In any discussion as to limiting foreign capital in Canada we could well consider Mexican experiences. It was been widely suggested that Mexico has maintained political independence at low economic cost. Mexico's policy of expelling foreign equity investment from certain industries has been achieved largely by foreign borrowing, due to inadequate internal capital sources. Thus, dependence on foreign financing remains, although with greater emphasis on foreign debt financing. At the same time, the country's ability to service this debt has been undermined by inadequate export earnings, resulting partly from a declining world demand for Mexico's traditional raw materials and partly as a result of its protectionist policies which have not stimulated manufactured exports. As the balance of payments situation has deteriorated, Mexico has been forced into further foreign borrowing both equity and debt. In this sense, the Mexican strategy has backfired and the country as a result of its policies is being driven back into the arms of the foreign investor.

Mr. Speaker, the one way that Canadians can retain control of their economic affairs, unless they live in a regimented society, is by their own economic efforts. The government has been making the suggestion that we can limit foreign investment in a manner that is beneficial to us, with the assumption that all investment whether Canadian or foreign will go where the government directs for the public good. In effect, this is what the National Energy Board did in the recent refusal to allow the export of natural gas. Having first implied that gas exports would be available to foreign capital and allowing the investment to occur, the National Energy Board will not now allow the export of gas. Presumably this is for the public good. But whether this money would have been invested had it been known that gas would not be allowed to be exported is doubtful. Perhaps this is the reason one-third of the drilling rigs are now idle. If Canadians are to have economic independence and maintain the standard of living they fully expect, will publicly demand and will receive, unless we enter a police state this will require a high level of economic activity.

If we are to adopt a new economic strategy that will lead to some predetermined objective, we must face up to the much more fundamental question of what type of economic structure we want in this country, and the choice seems to be between whether we want more and more of our goods and services to be produced by the government or whether we want a great amount of our economic activity to be in the private sector. It has been variously estimated that about 47 per cent of the gross national income is being taken up by the three levels of the government. This is still growing rapidly and will likely do so for some time.

Canada in the last 25 years has been fairly successful in achieving reasonably full employment, relatively stable prices, viability in the balance of payments and a more equitable distribution of income among regions. In this, although we followed inconsistent policies we were aided in the post-war period by the great movement toward freer and more international trade which accounts for about 25 per cent of the Canadian gross national product. Second, during much of this time Canada was able to maintain its exchange rate at below that which the market dictated. This stimulated economic activity. Third, during most of the time since the last war we have been able to import large amounts of capital to finance plant and equipment expansion and we have had a very special economic relationship with the United States.

Now all four of these basic factors that have worked so much in our favour have changed. There is no guarantee that international trade will expand, and there are signs that we may be entering a period of protectionism and trade restriction. We will not be able to maintain an artificial exchange rate for the dollar and, whether or not Canada takes any action, there will be much less inflow of capital to finance domestic expansion. We are entering a period of new economic relationship with the United States. It would seem very likely that what the Prime Minister considered his great breakthrough in Washington was really only a Mutt and Jeff statement. He received sympathetic understanding from the President but a rap on the skull from the President's officials.

Mr. Connally is not likely to be one who discriminates amongst his enemies, and Canada and its contribution to the United States deficit must reasonably be considered in this category. But, with this change in the international situation, will not Canadians still want a reasonably high standard of living, with relatively full employment and fairly stable prices?

I was most interested in the speech of the hon. member for Oshawa-Whitby (Mr. Broadbent) in which he discussed the auto pact and its history. He pointed out that in 1965 the option open to the auto industry was integration as we have presently, with a wide variety of models, or one or two models with the Canadian auto industry going it alone. When we consider the latter course, with the Canadian auto industry going it alone, we must ask ourselves whether Canadians would be willing to accept the choice of only one or two auto models, and we should remember that the production of even a couple of models would have to be carried out under protection. I do not know if we can do this under present government policies that are consistently phasing out the private sector and replacing it with the government sector.

• (8:50 p.m.)

In the process of passing Bill C-259 we witnessed a significant step in the direction of diminishing activity in the private sector. Today the *Globe and Mail* reported that there was 40 per cent less staking of mining claims in Ontario during the first nine months of 1971 as compared with 1970. In Alberta, one-third of the oil rigs are idle. There is almost certain to be diminishing activity in the private sector in the near future.

The emphasis in the new tax bill, decreasing by at least 50 per cent the value of the small business vis-à-vis tax, will not encourage the starting of new companies and their growth. The imposition of a capital gains tax, especially on long-term capital gains, is certainly not a good proposal at a time when Canada needs the best investment climate it can provide for its citizens. The taxing of international income of Canadian companies at a time when the Americans, under DISC, are reassessing their tax in this respect seems a particularly foolhardy move.

Canada is the only nation of a highly industrialized type—this was vividly pointed out in a recent survey by the Economic Council of Canada—that does not have tariff access to a market of at least 100 million people. The government keeps pointing out that Canada has the fastest growing labour force in the world and will continue in this situation for a decade. Surely, if Great Britain, with its 55 million highly industrialized population, felt it necessary to join the Common Market we must take a long, hard look at our trading relations with the United States. The present is not the time to be dampening private initiative with a restrictive competition act, with changes in the labour code that will prevent innovation and technological change, all of which must surely hamper industrial management in its attempt to meet competition.

Much has been said to the effect that we should have a highly developed manufacturing industry, but in fact only the Americans can afford to buy our high-priced manufactured products. All indications show that if we are unable to sell in the American market we will have to produce much more cheaply than we are now doing. The western grain farmer has learned this lesson to his sorrow. He is now selling grain in the markets of the world at a price below that which he got in the 1940s and with little indication of future improvement.

The best way for Canada to maintain its competitive position and its economic independence in the world is through the ability of its citizens to sustain the private sector in a healthy manner. Only this will allow the creation of the wealth that will benefit the community. The restrictive measures introduced by the government will only result in the production of less wealth for the country as a whole.

We must live on the North American continent, Mr. Speaker, and we must be a neighbour of the United States. We should be at least thankful that we are not a neighbour of the Soviet Union, something which the Poles and the Czechs have experienced to their sorrow. Just today a newspaper item reports a massive build-up of Soviet naval forces in the North Atlantic and the Mediterranean. Surely no one in Canada believes those forces are there for our protection. As a nation we may not have all the things we want, but in our neighbour we have much for which to be thankful.

[Mr. Ritchie.]

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, the issue of foreign investment in Canada is obviously an important one for Canadians generally and for the government. Therefore, I listened carefully to the remarks of the leader of the NDP and the leader of the Official Opposition earlier today. I was very curious to see if, after calling on the government to state its policy on foreign investment and criticizing it for failing to do so, they themselves had clear cut, definite policies of their own to put forward on this vital issue. I think it is clear, after listening to their speeches, that they do not seem to have such policies as yet. Although, Mr. Speaker, I will admit that the leader of the NDP at least made a sincere effort to appear to be saying something definite on this matter. But I submit that even he, in spite of his efforts, was in reality no less vague and contradictory than the Leader of the Official Opposition.

The leader of the NDP admitted, and I think this is quite a change from what he and his party have been saying over the past few weeks, that we must maintain close and friendly relations with the United States. I think these were his exact words. But then he complained when the Prime Minister (Mr. Trudeau) held what were very useful and important discussions with the President of the United States for that very purpose. The Leader of the NDP went on—this may be a switch also—to praise Canadian entrepreneurs, lauded the ability of Canadian tycoons and said we should have more of them. But then he said that they were selfish, that they were out for a fast buck and should be replaced by public investment and public corporations. However, I noticed that one of the NDP speakers just a few moments ago was complaining that one of the public corporations he favours so much, the CBC, has just spent a lot of money buying American TV programs.

At one point the leader of the NDP called for policies to be developed and implemented with provincial co-operation, but a few moments later he complained that the federal government may want to see what provincial reaction may be to its policy proposals on foreign investment. I do not think he was able to answer completely the question of the hon. member for Don Valley (Mr. Kaplan) when that hon. member asked whether he thought a provincial government should have a real say in a decision not to permit foreign investment to be made within its borders.

Mr. Skoberg: Where were you?

Mr. Gray: I was in the House, and if I could allude to something to which we are not supposed to allude until it is in printed form, we could check the accuracy of my remarks on this point. He complained about the degree of foreign control of the economy but I think the evidence indicates that the NDP, on the few occasions it has gained political power, has been quite active in seeking foreign capital. The hon. member for Bruce (Mr. Whicher) gave the example of what the Premier of Manitoba did. And if I am not mistaken, when the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) was Premier of Saskatchewan its legislature passed legislation offering

incentives to new ventures without any regard to whether they were Canadian or foreign.

I sympathize with the leader of the NDP because of the difficult task he has of satisfying the various wings of his party. There are the Wafflers, there is the Quebec wing with its separatist tendencies, and there is the so-called moderate wing. He attempted in his speech to balance the demands of these groups and I think we will all give him full marks for a good try, but I do not think the balancing act really succeeded.

The Leader of the Official Opposition might argue that he should be excused for his own vagueness and generalities since he is awaiting the result of voting on policy resolutions presented to his recent party convention. Perhaps once the results are available he will be able to be more definite. However, he may already have some feeling about the way the voting may turn out since in his remarks he said he does not rule out a screening process, although I recall that the press reported him a few weeks ago as being definitely against it.

The leader of the opposition has quite correctly pointed out that foreign investment has been important to us in our past, given our lack of an accumulation of savings. But it has been pointed out by others in this debate that this situation has changed considerably in recent years. Also, there has been growing concern in Canada in recent years about the growth of foreign investment here and the implications of this on Canada life. Contrary to what has been suggested by the leader of the NDP, Liberal governments, since 1963 particularly, have in fact taken a number of important steps in the area of foreign investment policy.

• (9:00 p.m.)

An hon. Member: That must be the Gray report.

Mr. Gray: The Liberal government led by Prime Minister Pearson legislated with regard to banks, federally incorporated trust, loan and life insurance companies. It was also responsible for measures dealing with newspapers, magazines, radio and television broadcasting. The present government has continued these efforts, Mr. Speaker. It has acted to ensure a Canadian presence in the uranium industry and the oil producing industry.

The investment companies act contains a provision to help maintain a Canadian presence in the sales/finance industry. The revised Canada Corporations Act now provides for greater disclosure of the activities of federally incorporated firms above a certain minimum size, including foreign subsidiaries. This is the kind of action for which the leader of the NDP was calling.

Mr. Speaker, the tax bill before us contains incentives for Canadians to invest in Canada. There are the proposals on the investment of Canadian pension funds, proposals allowing the deductibility of interest on money borrowed for the purpose of acquiring a Canadian firm. There is the proposal for special tax concessions for Canadian-controlled small businesses, and the more general tax credit incentive to Canadians to invest in Canada rather than abroad.

The competition bill introduced by the Minister of Consumer and Corporate Affairs (Mr. Basford) earlier this session contains provisions aimed at minimizing the extraterritorial impact of foreign legislation and decrees on Canadian business and trade and the Canadian competitive environment. It also includes a proposal which would ensure that international mergers should be reconciled with a reasonably competitive environment in Canada.

The Canada Development Corporation is now in operation, and in spite of critical comments from the other side of the House I am convinced that it will play an important and successful role in creating and strengthening profitable Canadian business activity.

Some hon. Members: Hear, hear!

Mr. Gray: At the same time, Mr. Speaker, over the past months efforts have been made within the government to determine what further policies on foreign investment of a more comprehensive nature may be required to take into account present and future trends.

Mr. Paproski: I will let you bring in the Gray report tonight.

Mr. Gray: I will send over another book and see if you can tear it. The Prime Minister has said that the government would be announcing its position on this matter when it publishes further background material. It is aiming to do so at an early date as it feels it is important that the statement of policy and this material should be presented at the same time to assist in developing a public understanding of its position and to assist the discussion that I am sure there will be on it across the country. While I am therefore not able to indicate this evening what the government's position will be, I think I can make some general comment about various aspects of the issues before us.

Firstly, Mr. Speaker, I think it can be said that domestically the total volume of savings generated within the Canadian economy has now reached a level which is by and large adequate to finance a fairly rapid rate of economic growth. In other words, in the aggregate we appear to have adequate savings in Canada, though this does not mean that sufficient capital is always available for particular needs and application. Secondly, internationally, recent years have seen a continued rapid growth of the multinational enterprise with all the challenges it poses for smaller business concerns and for national governments. These are merely illustrations of the kinds of factors which I believe must be taken into account in the development of policy.

There is also, Mr. Speaker, a growing feeling on the part of many Canadians that this high level of foreign control of economic activity poses problems for the performance of our economy and for our ability to decide on our economic priorities and our ability to implement them, as well as problems for the development of a distinctive Canadian culture and identity. As the Leader of the Opposition (Mr. Stanfield) has suggested can be the case, foreign investors can create problems for Canadian industrial priorities. Let me make two points about what some consider to be the economic problems caused by foreign investment here. Firstly, these kinds of problems are likely to be only in part attributable to foreign investment. Such investment has in many cases come in to fill gaps

that have existed on the economic scene—gaps in technology, management or capital market. Therefore, there is a role for general policies in the creation of an economic climate to encourage further efficient industrial activity, high levels of production and high standards of living.

Secondly, it would be incorrect to ignore the benefits that Canada has derived from foreign investment over the years in terms of economic growth, development of some of the outlying regions, access to relatively cheaper technology, access to foreign markets, and so on. These considerations suggest some of the elements that could form part of a foreign investment policy which would not involve Canadians paying an economic price in terms of their standard of living. In the first instance, I submit there is a place for measures to support and encourage Canadian entrepreneurship and Canadian abilities to undertake more of our own industrial development. I refer here to further measures to support innovation, technological development and greater efficiency in capital markets.

There is also a role for policies aimed at improving the general economic environment to help in the further development of sound industrial structure, with strong internationally competitive firms whether they are Canadian or foreign controlled. I think there is also a place for other measures pertaining to foreign investment. These measures must be flexibile, recognizing Canada's continuing need for foreign investment in some areas and the fact that both costs and benefits are involved and associated with it.

I should also like to point out to hon. members that a Canadian policy which seeks to ensure that foreign investment plays its part in the achievement of Canadian objectives would not isolate Canada in the international community. After all, other successful western industrialized countries have had comprehensive policies in this field for many years.

To conclude, Mr. Speaker, the government has been working to develop a more comprehensive policy on the role of foreign investment in the Canadian economy. I look forward to this policy being announced shortly. I am confident that it will be consistent with the desire of Canadians to have at one and the same time continued economic growth and the ability to make fundamental decisions with regard to their destiny as a nation.

Mr. Skoberg: May I ask a question, Mr. Speaker?

The Acting Speaker (Mr. Laniel): Is the hon. member rising for the purpose of asking a question?

Mr. Skoberg: Yes, Your Honour, if the minister would permit a question.

Mr. Gray: Yes, I will.

Mr. Skoberg: I wonder if the minister would read me what he said. I had a hard time getting it down in shorthand.

Mr. Gray: Mr. Speaker, I referred to my notes to no greater extent than did the hon. member for York South. I gather that our glasses have the same strength, because I held my notes in about the same position as he did.

[Mr. Gray.]

Mr. Lewis: That is the only valid statement the minister has made this evening.

• (9:10 p.m.)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, even though we may differ sometimes with our good friends of the New Democratic Party because of our divergent views, I must say that I give my unqualified support to the motion submitted by the opposition as introduced by the hon. member of York South (Mr. Lewis).

It is obvious, in fact, that the present government is playing a double game. On the one hand, it hints to the Canadian people that it would welcome an independent economy mostly controlled by Canadians. On the other hand, it asks, begs or even insists that Americans invest in Canada.

I would like to attempt to show that these contradictory practices stem from the false principles on which our present economic system is based. Yes, in trying to render the financial system unshakable and immutable, we show contradiction and ridicule.

The motion before us is therefore very appropriate. We must come up with policies and programs designed to restrain increasing foreign control over the Canadian economy by foreigners, for it is urgent.

We are really and truly at the mercy of foreign control and to a large degree, at the mercy of the American giant.

On September 29 last, the hon. Minister of Industry and Commerce (Mr. Pepin) was explaining, during the symposium of contemporary Canada in Houston, Texas, Canada's economical dimension in the North American context. He said and I quote:

> Every American bought for $50 of Canadian products in 1970 while during the same year every Canadian spent $500 on American products; this gives a per capita ratio of 10 to 1. If the Canadian economy is not prosperous, we are not able to buy all those products from your country.

Of course if we are not prosperous, we cannot buy for $500 of American products per head. But why do we have to buy? Why buy when those products are available in our country? Why buy when we can manufacture those products ourselves? In short, why base our own prosperity on that of the United States?

The whole speech of the minister, during that symposium, reflected the sickly timidity of the complex-riddled person, of the sheep that would all of a sudden like to be a lion. And I quote excerpts from the conclusion drawn by the minister on that occasion:

> It seems the United States are moving in the direction of a policy of self-sufficiency and this country considers it would be more advantageous for it to import our raw materials and energy resources but at the same time to inhibit the development of our secondary industries we would be forced to reconsider very seriously the whole of our relations with the United States. In that case, we would have to reassess entirely our industrial and trade policies. It would no doubt be a "reassessment that would break our hearts"! However, I can assure you that we could not in any way drop the high priority that we have given and that we will continue to give to the manufacturing and processing sectors of our economy which are essential to an increase in employment in Canada.

It can be seen here how difficult it is to escape the erroneous basic principles of our economic system. We

are wearing blinders which prevent us from looking at other solutions that are so very simple.

When will we stop thinking of terms of foreign interests. When will we decide to change what needs to be changed, the economic system? We are so locked up in this foolish system that we forget elementary notions of mathematics and logics.

Mr. Speaker, it is true, as the motion indicates, that we lack policies and programs to give back to Canadians the control over their natural resources and their goods and service industries in order to ensure the independence of our country. Why? Because none of those who have been called upon to govern this country, the right hon. Prime Minister included, have had the courage and the strength to introduce the required changes. The recent Nixon-Trudeau meeting as points out Claude Lemelin in *Le Devoir* of this morning can open the door to a solution which we are all wishing for. I quote an excerpt from Claude Lemelin's column in *Le Devoir* of this morning:

> One century of common life under the shade of the United States and their "manifest destiny", almost half a century of economic dependence on that ever growing power, the precariousness of their national identity, the frailty of their political unity have overburdened the Canadian people—whatever their language or their locality—with a serious inferiority complex coupled with deep intellectual alienation. How could they conquer that resulting collective feeling of helplessness which, for instance, threw the provincial premiers into a panic weeks ago when the Gray report leak dropped a hint of possible federal control over foreign investments?
>
> No doubt, not very dignified was the decision made by the Prime Minister of Canada, in order to ever so slightly lighten that psychological mortgage, to go ask the American People: "Are you going to swallow us? Are you going to retaliate if we withdraw from your jaws?" However, taking into account once more the Canadian context, such canvassing could well have a liberating and disalienating effect on Canadian public opinion.

Mr. Speaker, this journalist is convinced the situation can be corrected. But I would emphasize that if we truly want to bring about changes we must first reinforce the weak foundation. If we want employment for Canadian labour, if we want to let Canadians themselves create their national identity and social values, we must endeavour to find the true answers to the following questions: Do we have the required natural resources? Do we have enough products? Can we produce or manufacture ourselves what we need? Do we have the required manpower?

Mr. Speaker, answering these questions is finding the solution.

• (9:20 p.m.)

Let Canadian industry have the exclusive opportunity, up to a certain point, of manufacturing all the products required by 23 million Canadians, let the farmers feed those same 23 million Canadians, in other words let us make here without foreign participation everything physically feasible by making it financially possible and this will be the beginning of a genuine solution to those problems we are all concerned about.

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, I am astonished. The Minister of National Revenue (Mr. Gray) rose in this all-day debate and spoke for 15 minutes.

An hon. Member: You mean he read for 15 minutes.

Mr. Nielsen: The hon. member for Ottawa West (Mr. Francis) may suggest that he delivered an excellent speech, but I wish I had heard something excellent in it. I listened very carefully, as we all have listened on this side of the House and as the people throughout the country have been listening, to hear this government come forward with some sort of policy. We expected to hear about it from the only minister of the Crown who has participated in this major debate. The government has brought forward absolutely nothing.

What did the Minister of National Revenue say? He chided the opposition. He chided the Leader of the New Democratic Party (Mr. Lewis) and the Leader of the Opposition (Mr. Stanfield) for not coming forward with a constructive policy. He gave grudging credit to the leader of the NDP, but he said we are all waiting for something to come out of the resolutions put forward at our annual meeting, which gives you some idea of this government's thinking. That simply emphasizes what we have been saying all along—the people over there do not know what government is all about.

Some hon. Members: Hear, hear!

Mr. Nielsen: They are responsible for formulating policies. Did we hear about any tonight? We heard nothing at all. We heard the Minister of National Revenue say that the government had taken a number of steps in order to curtail foreign investment in this country. Immediately there came to mind the *Reader's Digest* situation mentioned by some hon. members to my left.

The minister also said that he cannot indicate what the government's position will be. That is what this motion is all about. It is criticizing the government for failure to come forth with some kind of industrial strategy for this country. He talked about economic growth. He told us that everything is rosy and everything is fine. He said this in the face of unemployment figures that are staggering, and in face of an announcement today that the cost of living index has risen by 4 per cent. He asked us to believe that everything is rosy. He gives these piddling examples as illustrations of how everything is going so well.

The minister talked about protection of our culture and our Canadian identity. One can almost use a southern accent and say, "With this government, we over on this side have nothing to fear about our culture and identity and we do not intend to be assimilated by those rascals down south." That is the size of it. There is a paranoid, almost pathological preoccupation with something they are trying to make political hay out of over there. They are trying to erect a great big bogeyman, as are the New Democratic Party members to my left. This great bogeyman of the United States is about to come here, clutch us to his bosom, suffocate all our Canadian identity and culture and squeeze us dry.

The minister also talked about Canadian entrepreneurship. I will tell him, as well as my friends to the left, what will bring about Canadian entrepreneurship. It is not more controls, suffocating tax measures, competition acts, investment incentive acts and new labour codes which insert government management into private man-

agement control; it is incentives that will bring about entrepreneurship.

Some hon. Members: Hear, hear!

Mr. Nielsen: A free enterprise society will die without incentives. I still do not know why the members to my left are there. They should be on the other side. They are one of a kind. It is incentives that will bring this about, not more controls, more government bureaucrats, boards, commissions and the civil service beating the back of individual enterprise in this country and restricting freedom at every turn.

The leader of the New Democratic Party and other members of that party said that we are trying to straddle both sides of the fence in respect of this policy. I have not seen a finer example than that demonstrated today. When they speak they say, "Oh, friendship is very necessary. We must keep the United States as our friends. But if they do not behave themselves we are going to bring down the guillotine and shut off this flow of private investment." Their answer is not incentives, free enterprise and individual freedom; it is state control and absolute socialism.

Some hon. Members: Hear, hear!

Mr. Nielsen: They want American money. They say their money is welcome, but only if it is going to be controlled by the government. Members opposite are not very far off that same philosophy, having regard to the kind of inventory of legislation we have seen since this Prime Minister (Mr. Trudeau) took office. We have seen the Gray report and its suffocating recommendations, if indeed what we read—

An hon. Member: Hear, hear!

Mr. Nielsen: The hon. member opposite applauds. That only confirms my belief he should be on my left or those on the left should be over with him. The new tax bill completely inhibits mining productivity in this country, now our second largest industry. We see foreign ownership clauses springing into every bit of legislation coming from this government. We see such invidious pieces of legislation as the investment incentives act which is nothing more nor less than the complete socialism of investment in this country.

Some hon. Members: Hear, hear!

Mr. Nielsen: We see the Canada Development Corporation being set up, ostensibly to promote more Canadian ownership but in reality a vehicle to permit this government to nationalize everything in this country. We see the competition act and the labour code, which I have already mentioned. These are just a few of the things this government is doing. If the Minister of National Revenue (Mr. Gray) is a responsible minister and was levelling with the House when he was speaking about what the government had done to encourage foreign ownership, he would have dealt with this question. He cannot justify what he has said unless it is on the basis of supporting the motion that the NDP have advanced and which caused this debate. There have been all kinds of criticisms but nothing constructive.

[Mr. Nielsen.]

The leader of the New Democratic Party said that he is all for a screening agency. He would like to see the one recommended in the Gray report that was leaked, but he would like it to go a lot further. In fact, what he would like to see in the Gray report is absolute control in a bureaucratic monstrosity set up by the government for the purpose of saying when, where, how, how much and in what manner any capital that comes into this country can be invested.

Mr. Côté (Longueuil): Hear, hear!

Mr. Nielsen: I again hear "Hear, hear" from the other side. Naturally, it is their legislation. It is the Postmaster General (Mr. Côté) who is saying that. I can see his whole department being taken over by the Canada Development Corporation, so he should not be saying "Hear, hear" too quickly. He may be out of a job.

The leader of the New Democratic Party also wants to see a revamped Canada Development Corporation. He wants to see it with power to buy into the multinational corporations. We hear so much about these multinational corporations that Canadians generally must now be having nightmares every time multinational corporations are spoken about. They see a great octopus crunching down on us with the tentacles of the great multinational corporation squeezing the very lifeblood out of Canada. What is all the talk about? Multinational corporations have assisted Canada to get where it is today. If it were not for the multinational corporations that come forward with all the risk capital being poured into this country, particularly in the north, there would not be any development in the north.

I know their views, Mr. Speaker. Their leader has stated them on previous occasions in this House. He is now entering the chamber. I hope he will contradict me if I misquote him. He would like to see the resources of the north put into deep freeze until we need them. Those are his words. That is what he wants. That is not my idea of national development or regional development. It is not my idea of the various parts of Canada making a contribution to the over-all fabric of this country.

Mr. Lewis: How many natives are employed in your development in the north?

Mr. Nielsen: Only a few. The leader of the NDP should not direct this inferential criticism at me. It is the people over there who are responsible for conditions under which these people are able to work. It is their failure.

• (9:30 p.m.)

Mr. Lewis: You are developing the north for the south.

Mr. Nielsen: I do not look upon national development in such a narrow way. I come from a part of the country where there are relatively few people. In fact, my colleague from the Northwest Territories (Mr. Orange) and I together represent over 40 per cent of Canada. That 40 per cent has a contribution to make, and it will not be able to make it if we put the resources of that part of the country into deep freeze. No development either of the North or elsewhere is possible without foreign investment capital.

Mr. Lewis: Boloney!

Mr. Nielsen: The leader of the NDP says "Boloney". I can assure him that if he enunciates that policy in the North his party might as well not run a candidate there because they would not have a snowball's chance in Hades of success. The hon. member and I share common ground in one respect. He says more government initiative is needed in research and development. But there is one thing he did not put on the record. It is that private enterprise puts eight times as much capital into research and development as does the government. So the government is sadly lacking in that area.

An hon. Member: Explain.

Mr. Nielsen: If the hon. member had done his homework he would need no explanation. The mover of the motion says the Canada Development Corporation has a duty to expand and develop the public sector of the economy. This is nothing more or less than saying that what we really want to use the CDC for is to nationalize all development in Canada.

Mr. Skoberg: Why don't you read the speech?

Mr. Nielsen: Today's *Hansard* is not out yet. I will tomorrow. The second member of the NDP who spoke says we need a mixed economy at the present time. He added that qualification. What he was really saying was this: private enterprise is all right for the time being, but if by any remote quirk of circumstances we should find ourselves in power, then it will be quickly eliminated until we reach the Simon Pure, socialistic state. Talk about hypocrisy! Talk about straddling both sides of the fence!

They cannot have it both ways. They cannot say they are in favour of private enterprise and at the same time tell us they want to nationalize it. They go on the hustings and tell all the farmers and all the monkey-wrenchers and all the so-called little men, "We are all for you. We shall redistribute the wealth of the country. You will become rich." But all they are looking for is power. All they are looking for, as a matter of fact, is to get re-elected, if the truth were known. I have let my leader lay down the policy of our party and I think he made a most comprehensive and appropriate statement.

Some hon. Members: Hear, hear!

Mr. Nielsen: Consider the ten points the leader of the NDP trotted forth in his motion. He says there ought to be a government export trading agency. In other words, more control. It is like the Minister of Indian Affairs and Northern Development (Mr. Chrétien) when he introduced the minerals legislation for the Northwest Territories; he wanted to be able to determine when, whether and, if so, what volume of minerals could be exported. More state control, more state intervention.

Members to my left say they want standards of resource planning and development. Standards set by whom? By the government. More bureaucrats, more control. If they had their way everybody would be getting a government cheque, everybody would be employed by the government and told when to work and how much to work, when to go to bed, when to breathe and when to sleep. But that is not my idea of enterprise in this country. It is time we got back to good old, solid Canadianism, Canadian free enterprise, Canadian initiative and Canadian incentive. We shall not get it if we listen to the half-baked philosophy which comes from my left, and we shall not get it from a government whose feet are directed solidly upon the road to socialism. We shall only get it if we increase opportunities for initiative in this country.

The mover of the motion wants to see an increase in public investment in the resource industries. What else is that except nationalization? I want someone over there to tell me if I am wrong. More public investment in the resource industries means only one thing—control of those industries by the state. The hon. member criticizes the tax concessions which have made the mining industry the second largest in the country. What is wrong with concessions which stimulate incentive and increase investment in the country? The hon. member favours planned shutdowns and the control of management decisions. He talks about myths. He says it is a myth that Canada needs foreign investment. He says businessmen do not believe they have the entrepreneurial skills which made this country what it is. I have not heard them say they lack these skills. Of course they have these skills, but they will lose them rapidly if the government pursues the road it is presently following and continues the kind of stifling and suffocating legislation which is halting the growth of the country.

He says there must be co-operation with the provinces. You bet your tiddly there must be co-operation with the provinces.

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

Some hon. Members: Hear, hear!

Mr. Steven Otto (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, there are about three minutes left before the division bells are due to ring and I want to see whether in that time I can get the House to face the real problem.

I have heard it said that this whole problem is connected with America, that it is an American problem. I have heard it said that the Americans are lovely people. It doesn't really affect the issue much. The fact is that our ills arise from corporate control. This mechanism, which was devised to allow people to build an enterprise, has grown so big and powerful as to become almost a Frankenstein. The government and this nation has a purpose in mind, which is of course the interests of the people of Canada. Similarly, the United States has its purpose in mind. But the only purpose a corporation can have in mind is to make money. Profit must be, and always has been, the main and only purpose of corporate structures.

• (9:40 p.m.)

What our real problem is is not anti-Americanism or Canadian control of our own economy. The United States is having the same trouble with its corporate structures as we are. United States multinational corporations have invested in Europe and elsewhere, taken advantage of production facilities in Taiwan and other countries, and have brought goods back to the United States. This cannot be the fault of the people of the United States or

the government of the United States. If hon. gentlemen opposite regard IBM, Minneapolis Honeywell, and other large corporations as an adjunct of the United States government, surely they must say that Seagrams is an adjunct of our government, and I do not think they can say that.

So we must face what is the real issue here. To bypass the issue by saying that it does not exist, as did the hon. member for Yukon (Mr. Nielsen), is not the way to tackle the problem. The problem is vast, and it is vast because it has created in Canada the situation where the growth, its distribution and direction, of our life style is no longer within the control of our elected representatives but is really under the control of corporate structures that have served their purpose. Let us not deny that there was a reason for this. There is always a good reason for a corporate structure. But to say that free enterprise must go on in perpetuity is no answer to the problem.

I see my time is just about finished, so I am unable to deal with the other aspects I wanted to mention. But let me say this. If I have gotten across to the members of this House that we should not be anti-American, then I have done a lot. It is easy for a politician to be anti-something. I agree with the hon. member for York South (Mr. Lewis) that it is easy to say that Americans are our enemies, but this will not do the nation any good.

Mr. Lewis: No, I did not say that.

Mr. Otto: In all his comments—

The Acting Speaker (Mr. Laniel): Order, please. It being 9.45 p.m. it is my duty, pursuant to section (10) of Standing Order 58, to interrupt the proceedings and forthwith put every question necessary to dispose of the business of supply before the House, including any bill or bills based thereon.

MOTION FOR CONCURRENCE IN VOTE 1A, DEPARTMENT OF FINANCE

Hon. C. M. Drury (President of the Treasury Board) moved:

That vote 1A in the amount of $715,400 of the Department of Finance, for financial and economic policies, for the fiscal year ending March 31, 1972, be concurred in.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the motion (Mr. Drury) which was agreed to on the following divison:

[Mr. Otto.]

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Osler
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—116.

NAYS

Messrs:

Alexander
Alkenbrack
Barnett
Beaudoin
Bell
Bigg

Messrs:

Blackburn
Cadieu
Coates
Code
Crouse
Danforth
Dinsdale
Dionne
Flemming
Fortin
Gauthier
Godin
Grills
Harding
Howard (Skeena)
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Lewis
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mather
Matte
Muir
Nesbitt
Nielsen
Nystrom
Orlikow
Paproski
Peters
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Ryan
Schumacher
Scott
Skoberg
Stewart (Marquette)
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Winch
Woolliams—61.

Mr. Speaker: I declare the motion carried.

Mr. Forrestall: Mr. Speaker, the same situation applies as applied last evening when I missed 29 votes. I would have voted this evening with my party but I was paired with the Minister of National Defence (Mr. Macdonald).

Mr. MacInnis: I rise on a point of order, Mr. Speaker. My point of order arises from the same situation as the one on which I based my point of order last week, Sir, when you admonished members on the government side for moving about during a vote. I draw attention to the fact that the Prime Minister (Mr. Trudeau) left his seat during the vote.

An hon. Member: Oh.

MOTION FOR CONCURRENCE IN VOTE 1A, TREASURY BOARD.

Hon. C. M. Drury (President of the Treasury Board) moved:

That Vote 1A in the amount of $745,400. of the Treasury Board for Central Administration of the Public Service, Program Expenditures, for the fiscal year ending March 31, 1972, be concurred in.

Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Division

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. MacLean: Mr. Speaker, perhaps it could be agreed that the members are in.

Mr. Knowles (Winnipeg North Centre): We are agreed to that as well.

The House divided on the motion (Mr. Drury) which was agreed to on the following division:

YEAS

Messrs:

Allmand
Andras
Badanai
Barrett
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chrétien
Clermont
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Éthier
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Guilbault
Haidasz
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Osler
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—116

Division

NAYS

Messrs:

Alexander	MacInnis (Mrs.)
Alkenbrack	MacLean
Barnett	McCleave
Beaudoin	McCutcheon
Bell	McGrath
Bigg	McIntosh
Blackburn	McKinley
Cadieu	Marshall
Coates	Mather
Code	Matte
Crouse	Muir
Danforth	Nesbitt
Dinsdale	Nielsen
Dionne	Nystrom
Flemming	Orlikow
Fortin	Paproski
Gauthier	Peters
Godin	Ritchie
Grills	Rodrigue
Harding	Rondeau
Howard (Skeena)	Rose
Howe	Rowland
Knight	Ryan
Knowles (Winnipeg North Centre)	Schumacher
	Scott
Knowles (Norfolk-Haldimand)	Skoberg
	Stewart (Marquette)
Lambert (Bellechasse)	Thomas (Moncton)
	Thomson (Battleford-Kindersley)
Lambert (Edmonton West)	
Lewis	Winch
MacDonald (Egmont)	Woolliams—61.
MacInnis (Cape Breton-East Richmond)	

• (10:10 p.m.)

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (A).

Hon. C. M. Drury (President of the Treasury Board) moved:

That Supplementary Estimates (A) for the year ending March 31, 1972, laid before the House November 19, 1971, except those Votes concurred in this day, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to.

Mr. Drury thereupon moved that Bill C-273, for granting to Her Majesty certain sums of money for the Public Service for the financial year ending March 31, 1972, be read the first time and printed.

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

Mr. Speaker: When shall the bill be read the second time?

Some hon. Members: Now.

Mr. Drury thereupon moved that Bill C-273, for granting to Her Majesty certain sums of money for the Public Service for the financial year ending March 31, 1972, be read the second time and referred to the committee of the whole.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

The Deputy Chairman: Order, please. May we have order please?

[*Translation*]

Mr. Fortin: On a point of order, Mr. Chairman.

The Deputy Chairman: Is the hon. member for Lotbinière rising on a point of order?

Mr. Fortin: Mr. Chairman, first of all I want to protest against the lack of decorum in the House tonight.

Some hon. Members: Stupid!

The Deputy Chairman: Order. I would point out to the hon. member that the committee has just begun sitting. If there was disorder in the House, that should not be discussed in committee.

Mr. Fortin: I wonder if the committee can do its work as "he who leads the House" has just torn to shreds his copy of the bill. Is it still in order to study it if it is not good anymore?

An hon. Member: Sit down, stupid!

An hon. Member: Stupid!

An hon. Member: He does not even have a sense of humour.

[*English*]

Clauses 2 to 5 inclusive agreed to.

The Deputy Chairman: Shall the schedule carry?

Schedule agreed to.

Mr. Forrestall: On division.

The Deputy Chairman: Shall clause 1 carry?

Mr. Forrestall: On division.

Clause 1 agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

• (10:20 p.m.)

Mr. Drury moved that the bill be read the third time and do pass.

Motion agreed to and bill read the third time and passed.

Mr. MacLean: I rise on a point of order, Mr. Speaker. Perhaps I can ask the President of the Privy Council (Mr. MacEachen) to confirm the business for tomorrow.

Mr. MacEachen: Bill C-259, Mr. Speaker.

Mr. Speaker: Order. It being after 10 o'clock, this House stands adjourned until tomorrow morning at 11 a.m.

At 10:25 p.m. the House adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, December 10, 1971

The House met at 11 a.m.

HOUSE OF COMMONS

TABLING OF EXTRACT FROM MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY

Mr. Speaker: I have the honour to lay on the table an extract from the minutes of a meeting of the Commissioners of Internal Economy.

* * *

PRIVILEGE

MR. GIBSON—REFERENCE IN DEBATE TO LEADER OF THE OPPOSITION'S NAME

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I rise on a question of privilege. On page 10332 of yesterday's *Hansard* in the second column, on the right-hand side, there is this statement by an hon. member: "That is not a good name." I respectfully disassociate myself from that statement. If I had heard it I would have rebutted it immediately. The name of the Leader of the Opposition is a good name.

MR. BALDWIN—AVAILABILITY OF REPRINTED INCOME TAX BILL

Mr. G. W. Baldwin (Peace River): On a question of privilege, Mr. Speaker, may I be permitted to say that, with the arrival on our desks of the newly reprinted Bill C-259, I want to pay our respects to the staff for the job they did in having it reprinted. I only wish it were in a better cause, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I trust that when the hon. member mentioned staff he was including the employees of the printing bureau.

Mr. Baldwin: Yes, naturally.

ROUTINE PROCEEDINGS

HOUSE OF COMMONS

CONCURRENCE IN EXTRACT FROM MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the extract from the minutes of a meeting of the Commissioners of Internal Economy laid upon the table be concurred in.

Motion agreed to.

AIRPORTS

ANNOUNCEMENT OF INCREASE IN FINANCIAL ASSISTANCE FOR CONSTRUCTION AND OPERATION OF MUNICIPAL AIRPORTS

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I wish to inform the House that my ministry proposes on a permanent basis to double its annual program in the field of providing assistance for the construction and operation of municipal airports, beginning in the next fiscal year.

Some hon. Members: Hear, hear!

Mr. Jamieson: The present $1 million annual allocation will be increased to $2 million and this increase will allow us to provide assistance to eligible applicants who, because of lack of funds, would not have been able to expect federal assistance for some time. Indeed, because the present demand is so great it is the intent of the government to ask Parliament to appropriate an additional $1 million for the next fiscal year which will, in effect, triple the program for that year only to $3 million.

Some hon. Members: Hear, hear!

Mr. Jamieson: Under the new policy, airports will be grouped into two main categories—national and community. This will more properly reflect the responsibility for their operation and development.

The level of assistance provided to the airports within these groupings will be determined basically by an airport traffic demand index which will measure the relative importance of airports on the basis of passenger flow, cargo and mail handled, rather than by the previous system of simply using the number of aircraft movements at an airport.

Airports in the national category will be classified as primary, secondary, Arctic or satellite airports. Community airports will be classified as feeder, local industrial, intermediate local, small local or remote according to their traffic index.

The present increase from $1 million to $2 million, and hopefully and additional increase of $1 million in funds for 1972-73 for this program, will make it possible to aid a greater number of airports deserving assistance than was previously feasible. In the long run, it will be a benefit to both municipalities and the aviation industry. It is also felt that the implementation of this new policy of assistance will encourage municipalities to continue the operation of national secondary airports. It will also encourage greater participation of others in the financing of airports and this will be in keeping with the ministry's objective that the cost of such facilities should be borne, to the greatest extent practicable, by the users and other direct beneficiaries of these facilities.

I would like to add, Mr. Speaker, that based on the assumption that all the members of the House are interested in transportation matters, particularly in their own constituencies, I have instructed my officials to ensure that all Members of Parliament are to be provided immediately with a fact sheet which explains, in some detail, the various aspects of this new program.

• (11:10 a.m.)

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I thank the minister for his courtesy in providing us with a copy of his statement and the fact sheet we are to receive. Three thoughts immediately come to mind as a result of this statement.

First, there should be a review in the Standing Committee on Transport and Communications of the role Air Canada is playing with regard to the development of airport policy. I say this because we have heard that several abandonments are proposed by Air Canada, and one wonders whether Air Canada is playing the abandonment game learned from big brother, the Canadian National Railways. We also have to tie in the role of Canadian Pacific, the regional carriers and the local carriers as a result of this stepped-up policy dealing with municipal airports.

The second thought is that this action in some measure should satisfy the desire of small communities to be part of the aviation age, especially those, if you will pardon the expression, being jettisoned by the railroads. The meeting in Wingham this past summer should prove to the minister the point I make there.

The final thought that comes to mind as a result of this morning's statement is that there should be more research and development into short-flight aircraft, STOL aircraft and air buses, not only in relation to what the minister has outlined this morning but in relation to the development of more municipal airports as such and putting the smaller communities of Canada on the air map.

There is also an unexpected side benefit which should flow from this policy. I have often spoken about the problems that are arising in Canada with the development of the megalopolis between Montreal and Milwaukee, an area of the continent that will soon—within decades—have a greater population density than the area between Boston and Washington. I say "soon" because that is a word the government will recognize. There is a need for small airports and aircraft that are able to land in a very short space within that region.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, we in our party also wish to thank the Minister of Transport (Mr. Jamieson) for supplying us with the statement he has made this morning. He is to be congratulated on this announcement.

At the same time, all members recognize the financial problems of municipal governments in providing mass transportation movement in so far as air traffic and other forms of transportation are concerned. The hon. member who just spoke indicated some of the concerns in the Boston area. I had the opportunity of being with him less than two weeks ago when we personally contacted and had interviews with some of the transportation people in the United States in an exchange of views arranged

through the Speaker's office. The type of problems they have can be considered analogous to the problems here.

There is no question that the new policy announced today will and should be of benefit to many of the smaller communities. One question we must ask is whether seaplane bases are included. Seaplane bases are an important part of our transportation system. We must also ask whether the communities will be consulted. Because of a lack of funds the definition of eligible applicants must be clarified. We will need clarification of the classification of the various problems with regard to some Public Service employees.

We also have to find out whether this action is part of an over-all mass transportation plan which takes into consideration all the modes of transportation that we have today. Many small communities are in the position of not being able to attract industry because, fortunately or unfortunately, industry does gravitate to those areas where good transportation is available. This is the situation in Canada and in North America today. Many industries gravitate to areas where there is good transportation while other areas which are really in need of industry cannot obtain it.

I notice that on the second page of his statement the minister talks about an increase from $1 million to $2 million and, hopefully, an additional increase of $1 million in funds for 1972-73 to support this program. We must ask again whether there is some significance attached to the year, 1972-73.

We welcome the announcement made today. We are glad that local municipalities are now to have an opportunity to participate in bringing about some of the development of which they have been sorely in need. The need for financial assistance to small communities is one of which we are all aware. I trust we shall not spend our entire time talking in terms of air transportation but that we shall direct our attention also to securing an entirely integrated transport system for the benefit of Canadians.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, first of all, I would like to thank the hon. Minister of Transport (Mr. Jamieson) for the very appropriate statement he made today, and congratulate him for having doubled grants in order to hasten the implementation of the financial assistance program concerning the construction and operation of national and community airports.

I add further that municipalities will be the first to benefit by the measure. Needless to say that the assistance was absolutely necessary. I congratulate at the minister for having realized that and taken action.

In my area of Lotbinière, it happened this week that municipalities such as Plessisville, Princeville, Victoriaville, Arthabaska, Warwick and Daveluyville got together, precisely to put under way the program the minister announced today, with the co-operation and support of the Department of Transport.

I want to congratulate the minister for putting at the disposal of the municipalities the funds necessary to stimulate regional development and thus obtain the infrastructure essential for their industrialization and development.

In concluding my remarks, I want to thank the Minister of Transport for his kindness and fast action when he is asked information on projects undertaken in various constituencies. He is one of the best in providing us with answers quickly and he does it as objectively and honestly as possible. He is to be congratulated for that.

[*English*]

ORAL QUESTION PERIOD

FINANCE

INTERNATIONAL CURRENCY NEGOTIATIONS—POSITION OF UNITED STATES AND OTHER COUNTRIES ON LEVEL OF CANADIAN DOLLAR

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I wish to direct a question to the Prime Minister. I do so having regard to the optimism he expressed about world currency adjustments being worked out in December or January and recognizing, of course, the right of any country to set the value of its own currency asserted by the Minister of Finance. Has Canada received any assurance from the United States that the United States will not insist upon a further upward valuation of the Canadian dollar in relation to the United States dollar as part of the general adjustment which the United States is seeking in the valuation of other currencies in relation to the United States dollar?

Right Hon. P. E. Trudeau (Prime Minister): I cannot speak in any detail with respect to the meetings the Minister of Finance had with Secretary Connally, but as to the over-all position taken by the United States government I should not like to say they have committed themselves not to expect, or hope for, or ask for, an upward valuation of the Canadian dollar. As is normal with these meetings, I feel quite free to say publicly what the Canadian position was. As the Minister of Finance has repeatedly said, our position is that we do not want to have the Canadian dollar valued upwards in exchange for anything. As far as the United States position is concerned, I should not like to speak with any authority and say what they are committed to.

• (11:20 a.m.)

Mr. Stanfield: Mr. Speaker, I asked the question in view of the optimism expressed by the Prime Minister. Along the same line may I ask him whether Canada has received any assurances from countries other than the United States that are associated, for example, with the International Monetary Fund that they accept the view that has been put forward by the Minister of Finance that a further upward valuation of the Canadian dollar ought not to be required as part of any general realignment, in view of the fact that an upward movement of the Canadian dollar has already taken place during the past year? Have other countries that will be involved in this general settlement accepted the Canadian position?

Mr. Trudeau: Mr. Speaker, I am afraid my answer to this question about other countries must be along the same lines as my answer about the United States position. The position summed up by the Leader of the Opposition is the position we have taken. Our upward revaluation began much earlier, in June, 1970, long before the Nixon measures, and therefore our position is that the other countries should not press Canada to take its dollar to any specific higher value.

Here again, as in the case of the United States, I cannot in any way commit other governments to an acceptance of the Canadian position. We have pressed it and we hope that they have understood our arguments with sympathy. We feel that some have responded or reacted more sympathetically than others, but I cannot say with any firmness that any other country will do such and so, any more than we would want any other country to say publicly what Canada should do when all this is over.

RELATIONSHIP OF POSSIBLE CANADIAN DOLLAR REVALUATION TO DISCUSSIONS WITH UNITED STATES ON AUTO PACT AND OTHER IRRITANTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I am simply trying to find what ground the Prime Minister might have had for his optimism. May I ask the Minister of Industry, Trade and Commerce whether the government or the minister himself has received from or made any proposal to his United States counterpart to the effect that the auto pact and/or other subjects of United States irritation would be modified in return for an agreement or understanding between the two countries as to an acceptable rate of exchange between the Canadian dollar and the United States dollar? For example, has an agreement been suggested that the Canadian dollar be permitted to remain at 2 per cent below the United States dollar, as suggested yesterday by an adviser to the United States President?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not know exactly what Mr. Rinfret's relationship is to the United States government. In one paper I'm told he is referred to as an adviser to the Canadian government. He has no such status. He was present at the dinner the other night in Washington; that is the extent of my knowlege of the gentleman. He is a very imaginative economist. The answer to the question is that there is no relationship whatsoever between our discussions on the auto pact and currency realignment with the United States dollar or any other currency.

* * *

POST OFFICE

DISCUSSION BY MINISTER OF VANDERBERG REPORT WITH LETTER CARRIERS—ADJUDICATOR'S DECISION ON CASUALS—REQUEST FOR STATEMENT

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Postmaster General and arises out of the press conference held yesterday announcing the study by Professor Vanderberg. May I ask the minister whether he was invited by the letter carriers to discuss the report with them prior to the press conference yesterday? If so, did he accept? If not, will the minister now assure

the House that he will meet with the union to discuss this report?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): The Union of Postal Workers has not invited me to discuss the brief. The first I heard about it was when it was handed in at my office yesterday morning prior to the press conference.

[*English*]

Mr. Rose: In view of the allegation contained in the report that the Post Office violated certain parts of the collective agreement, will the minister make a statement on motions clearly outlining government policy regarding the attitude of postal management to the relevant clauses of the agreement, which was attacked by Professor Vanderberg, and as well outline in his statement the attitude of postal management to the decision of the adjudicator, Mr. Arthurs, regarding casuals?

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, concerning Mr. Arthurs' decision, I believe that he had a meeting yesterday with the Public Service Staff Relations Board.

Now, Mr. Speaker, concerning the report, I do not want to challenge the integrity of the professor. He himself said he was a layman in that field and I believe he could have produced a much more objective report if he had met my officials before preparing it.

[*English*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, in view of the Postmaster General's recent statement of commitment to the consultative process and the continuing decline in the morale of the postal employees, will he meet with the union officials to consider the brief during this period of pre-Christmas euphoria in a sincere effort to improve mutual understanding prior to the negotiations for a new agreement which get under way next year?

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, we are always prepared to meet with union representatives to discuss any subject. I can say that, in the last 12 months, we have had discussions with representatives of the Union of Postal Workers more than 40 times and on more than 50 subjects, not including the meetings that were held at the level of deputy ministers, assistant deputy ministers and of the minister himself.

[*English*]

Mr. Dinsdale: Mr. Speaker, do I take it from the Postmaster General's remarks that he will meet to discuss this specific brief, which is an attempt to build a bridge over troubled waters?

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, should I be asked for a meeting to discuss this report, it would be advisable that I myself have made a thorough study of it beforehand. I will certainly let the Union know what we think of this report and of the errors to be found in it.

[*English*]

Mr. Speaker: Order, please. I note that there are a number of hon. members who wish to ask supplementaries on this subject. We will return to it later; for the moment the Chair will recognize the hon. member for Richmond.

* * *

[*Translation*]

AGRICULTURE

SUGGESTED FURTHER PURCHASE OF TURKEYS BY GOVERNMENT TO ELIMINATE SURPLUS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

In view of the fact that the last time the government bought turkeys to alleviate hunger in various countries their purchase did much to eliminate surpluses of that product in Canada, can the minister tell us whether the government intend to make further purchases in order to assist the producers' association which again this year is experiencing surpluses?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, there has been a significant improvement in the returns to producers from the sale of turkeys since we introduced this program. We do not have any current plans for an addition to that program.

Mr. R. E. McKinley (Huron): As a supplementary question, Mr. Speaker, can the Minister of Agriculture advise us with respect to the parts of Canada from which these turkeys were purchased?

Mr. Olson: Yes, Mr. Speaker, I can give all the details respecting that. I do not have them with me now but I would be very happy to supply them.

Mr. Speaker: Before going to the next question the Chair will recognize the hon. member for York South who has indicated he has a supplementary to the previous question.

* * *

POST OFFICE

CONSULTATION WITH UNIONS ON TECHNOLOGICAL CHANGE IN ACCORDANCE WITH LABOUR STANDARDS BILL

Mr. David Lewis (York South): Mr. Speaker, I wish to direct a supplementary question to the Postmaster General. In view of the problems that have existed in the Post Office for some years in respect of labour relations, and in view of what I am sure is the very earnest attempt he is making to improve the morale of employees, will he give consideration to making the introduction of technological change in the Post Office at least subject to the requirements suggested in the bill to amend the Canada Labour (Standards) Code so that there may be discussions with the unions concerned before automation is introduced by management?

• (11:30 a.m.)

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, we must say in the first place that in a department such as mine with over 50,000 employees, there will always be some problems. We have to try in the public interest to settle them as soon as possible, but there will always be some.

As for automation and mechanization at the Post Office Department, clause 31.05 of the last collective agreement provided that 90 days after the signature of the agreement, a committee made up of labour representatives and officials of the department would be organized. We have asked the labour representatives to come and meet us in order to establish that committee as soon as possible, but we have never obtained any answer in that connection.

[*English*]

Mr. Speaker: Order, please. The Chair will recognize one last supplementary by the hon. member for York South. Then we will have to go to the next question. I will recognize immediately thereafter the hon. member for Parry Sound-Muskoka.

Mr. Lewis: Mr. Speaker, following up on the question and answer, may I ask the Postmaster General whether, in view of all the problems involved in such a large labour force, he would reconsider the notion that every post office has to be automated, for example, in a province like Newfoundland where the Department of Regional Economic Expansion is trying to create jobs and where the post office automation reduces the number of jobs very considerably?

Mr. Speaker: Order, please. Is the hon. minister rising on a point of order?

[*Translation*]

Mr. Côté (Longueuil): Mr. Speaker, I must point out that this is one of the erroneous assertions which are contained in the report made by the director involved. Automating all post offices is certainly out of question.

[*English*]

Mr. Speaker: Order, please. I believe we are getting into the realm of debate at this point. The hon. member for Parry Sound-Muskoka.

* * *

POLLUTION

PREVENTION OF DUMPING OF HUMAN WASTE INTO WELLAND CANAL BY FOREIGN SHIPS

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Transport. In view of a report released yesterday by the Niagara regional health unit concerning the dumping of human waste into the Welland Canal by foreign ships, does the government propose to take any action to prevent such discharges?

Hon. Donald C. Jamieson (Minister of Transport): Very definitely, yes. I thank the hon. member for giving me notice because I can tell him I spoke to our officials on this matter and no recent incidents have been reported to them. If such incidents can be verified there exist strict laws against this type of pollution. If anyone has evidence of such incidents I would be grateful if they would pass it along to me. I am told there may be one on the way.

Mr. Aiken: Mr. Speaker, it is my understanding there are at present no regulations of the department which prevent the dumping of human sewage into Canadian waters. Does the minister intend to proceed with the passing of regulations under the Canada Shipping Act in order to eliminate such discharges?

Mr. Jamieson: Yes, Mr. Speaker. I think the hon. member would agree, when he speaks about Canadian waters, that this excludes the canal. We do have very strict regulations, with regard to the canal sections of the waterways. However, there are no regulations for the Great Lakes themselves. We are examining this in the hope that we can put regulations into effect.

* * *

EXTERNAL AFFAIRS

INDIA-PAKISTAN WAR—EVACUATION OF CANADIANS

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I have a question for the Acting Secretary of State for External Affairs. On November 29 the minister told me in the House that the government was advising nationals in both East and West Pakistan to be prepared to move. Can he indicate when the Canadian government first took practical steps to remove nationals from East and West Pakistan and can he further indicate how many Canadians are known to be in Dacca and Islamabad and what the plans and prospects are for their safe evacuation?

Mr. Paul St. Pierre (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the movement to send planes into Islamabad and Karachi airports was taken two or three days ago. Preparations were made. Canadian nationals were told orally approximately two weeks ago that it might be wise for them to prepare to leave. There are figures available concerning the number removed last night from Karachi which I could give to the hon. gentleman. There were 241 passengers including 65 Canadians, 59 Germans, 31 Americans, 18 Netherlanders and 15 British.

Mr. Macquarrie: Mr. Speaker, on this very important matter I would ask the parliamentary secretary if he can advise what steps are being taken in respect of Canadian nationals in Dacca where the situation is very serious, and how many Canadians are still in the Karachi, West Pakistan area and when will they be evacuated?

Mr. St. Pierre: In respect of Dacca, as the hon. gentleman knows, there have been two attempts to send a Canadian Hercules aircraft there under United Nations auspices. Both attempts have been turned back, the second time by gunfire which exploded near the Canadian aircraft over the Bay of Bengal. It is hoped that arrangements will be made for this plane to land safely and remove a few Canadians. There are approximately 40 in East Pakistan. Many are missionaries. The latest infor-

mation we have is that many do not wish to be removed but some Canadians do wish to be removed from Dacca. It is also hoped that the Canadian Air Force 707 will be able to proceed safely to Islamabad to remove Canadians there. I do not have the number of Canadians in Islamabad, Mr. Speaker.

* * *

TRADE

CANADA-U.S. AUTO PACT—POSSIBLE CONCESSIONS REGARDING CANADIAN SAFEGUARDS

Mr. H. W. Danforth (Kent Essex): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. The minister indicated in answer to a previous question by my leader that there was no relationship in dealing with the auto pact and the Canadian currency problem. Since it is known that there were negotiations on the auto pact while the governmental representatives were in Washington, will the minister now indicate if concessions were not indeed made with regard to the Canadian safeguards, or will we have to wait for a government announcement after the conclusion of the meetings of the ten Ministers of Finance?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I think in all honesty I can say that, no conclusions having been reached, no concessions have been made. I said very frankly the other day that the automobile agreement was part of the discussions with the United States. I said we were trying to find a balanced package of irritants and that this negotiation was still going on, but it is not related to the removal of the surcharge, nor is it related to the evaluation of the Canadian dollar.

Mr. Danforth: Since the minister has continually maintained to the House that there have been continuing discussions between United States officials and Canadian officials on this very important matter, can the minister indicate when in his opinion a conclusion will be reached concerning this specific problem that is of interest to so many workers in this country?

Mr. Pepin: Mr. Speaker, I could not say because this conversation is going on now. When the conclusion is reached I shall announce it in the proper way and I will defend it also.

DISCUSSION OF OTHER IRRITANTS IN NEGOTIATIONS ON CANADA-U.S. AUTO PACT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the minister has spoken on a number of occasions about a balanced package of irritants. Would it be more correct to say now that there are two separate packages of irritants, one being currency levels and that sort of thing. If there are two packages of irritants, what irritants are included in the same package as the auto pact and are being discussed within the limits of that pact?

[Mr. St. Pierre.]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, if one wanted to be terribly clever one could suggest there are indeed three areas. There is the package of international negotiations, in which the Minister of Finance is deeply involved, having to do with currency and trade matters in general. There is a more restricted discussion on irritants between Canada and the United States on so-called irritants. I indicated the other day quite simply what some of the irritants were. The main United States and the main Canadian irritants are well known. Third, there is the discussion of the automobile agreement which is outside the second package I have indicated. All these things will be brought together sooner or later and will be announced in the proper manner.

• (11:40 a.m.)

Mr. Speaker: Order, please. I have to remind hon. members that we seem to be engaging in a debate on some of these questions. The questions and the answers are long and if we continue in this way we will spend most of the question period in mini-debates. I suggest that perhaps we should try to limit the length of the questions and answers.

Mr. Stanfield: Mr. Speaker, I do not want a lecture in philosophy or anything of that sort from the minister. I just want to know from him whether the auto pact is completely distinct from these other irritants of which the minister has spoken. Is there no other irritant that is being discussed in the context of or in association with the auto pact?

Mr. Pepin: I think it is the hon. member who is being the philosopher this morning. To me the number of packages is not too important. It is well known that the main U.S. irritants are the automobile agreement, the defence-sharing agreement and the tourist allowances. This is well known; it is all over the press it is no secret. It is known also that we, Canadians also have a number of irritants. They have to do with—

Mr. Speaker: Order, please. I have to interrupt the minister. It seems to me that day after day we have the same questions and the same answers which take up so much of the question period.

CANADA-U.S. AUTO PACT—CONSULTATION WITH ONTARIO OFFICIALS

Mr. Lincoln M. Alexander (Hamilton West): My supplementary question will be short and it follows the course of the questioning of the Leader of the Opposition. Because of the interest of the province of Ontario, can the minister advise whether officials and representatives of that province will be taken into the minister's confidence continually, particularly before any definite decision is reached, in order that the minister may have the wisdom of the province of Ontario on this very important matter?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Yes, we have the wisdom of the government of Ontario through the premier of Ontario who sent a telegram which, incidentally, was misquoted by the hon. member on one occasion in the House, and I have also had

a phone call with Mr. Grossman, the Minister of Industry. One of his officials also met one of my officials to discuss this subject in depth a few days ago. So the contact is very intimate on this matter between the government of Ontario and the federal government of Canada.

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TRANSPORT

METRO CENTRE DEVELOPMENT, TORONTO—ESTABLISHMENT OF COMMITTEE TO WORK WITH PROVINCIAL AND MUNICIPAL AUTHORITIES—STUDY OF TRANSPORTATION NEEDS

Mr. Andrew Brewin (Greenwood): My question is for the Minister of Transport. In light of the importance of the billion-dollar Metro Centre development project initiated by the railways and in light of the federal government's concern with certain aspects of the problem such as transportation, housing and pollution, has the government set up a federal intergovernmental committee to work with the local authorities and with the provincial government in respect of the problems arising out of this development?

Hon. Donald C. Jamieson (Minister of Transport): I am not sure that I could call it a formal working party, either intergovernmental or interdepartmental, but I can assure the hon. member that in so far as the transportation aspects of the project are concerned we have been consulting constantly with parties to the project. In addition, we are prepared to discuss our role with any group that may wish to do so.

Mr. Brewin: Has the minister or his department undertaken, either themselves or through a consultant, a study of the transportation needs of the Toronto centre region, and when is it expected that the study will be completed?

Mr. Jamieson: I would guess—and this is just a guess—that there are at least six such studies under federal auspices under way at present, each one relating to a different aspect of metropolitan Toronto transportation. Perhaps the most recent one, which will give the hon. member an example, is the co-operative effort with the provincial and municipal governments with regard to a more effective utilization of existing railway lines into the city for commuter traffic.

* * *

AIRPORTS

SUDBURY—FINANCIAL ASSISTANCE FOR CONSTRUCTION OF NEW TERMINAL BUILDING

Mr. Gaétan-J. Serré (Nickel Belt): I have a question for the Minister of Transport. Following the minister's statement this morning regarding financial assistance to municipally operated airports, I would like to refer to a question I asked in September regarding the construction of a new terminal building at Sudbury. Can the minister tell us whether his department is prepared to offer financial assistance or to call tenders for the construction of such a terminal in Sudbury?

Mr. Speaker: Order, please. I suggest to hon. members that if we start asking questions about the construction of terminals in too many cities across the country we will get into trouble. The minister may reply briefly, but I see other members to my left who are anxious to ask similar questions and we will probably spend the rest of the question period in deciding whether terminal buildings will be constructed.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, in these circumstances, and because the hon. member did ask for this information before, may I say that this actual project does not come completely within the announcement I made this morning. It was already scheduled before, but this will help the municipality and my estimate is that tenders will be called in 1972.

ACQUISITION OF MUNICIPAL FACILITIES BY DEPARTMENT OF TRANSPORT

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question regarding the statement made by the minister concerning assistance to municipalities. Does the statement include any effort on the part of the Department of Transport to take over airports in municipalities, because I think the minister's statement really involved peanuts in terms of money, and I am wondering whether in fact there is any room—

Mr. Speaker: Order, please. The minister may attempt to reply briefly to the hon. member's statement.

Hon. Donald C. Jamieson (Minister of Transport): If the hon. gentleman has in mind Hamilton airport, it is in a different category. We are talking with them all the time and I am sure we will be giving considerably more than peanuts in that case as in many others.

Mr. Speaker: Order, please.

* * *

[*Translation*]

AGRICULTURE

BUTTER—MEASURES TO PREVENT IMPORT AND TO INCREASE PRODUCERS' QUOTAS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Since Canada is now purchasing butter from the United States and our dairy producers have to pay a fine when they exceed their production quotas, could the minister say whether his department is considering any measures in order to remedy this situation?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, several weeks ago there were discussions between the Canadian Dairy Commission and the milk marketing authorities in those provinces which have market-sharing quotas to see if we could achieve greater Canadian production.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): May I ask a supplementary, Mr. Speaker?

Would the Minister of Agriculture be prepared to recommend to the Canadian Dairy Commission that it increase eligible quotas for dairy producers?

[*English*]

Mr. Olson: That is one possibility that we are considering, Mr. Speaker.

* * *

POST OFFICE

MEASURES TO KEEP LOBBIES CONSTANTLY OPEN FOR BOXHOLDERS

Mr. Craig Stewart (Marquette): My question is for the Postmaster General. The department announced that to improve service, post office lobbies would be open 24 hours for boxholders, but because of vandalism some lobbies are now being closed during evening hours. What action is the department planning in order to have 24-hour service resumed, and has the department considered installing cameras in lobbies to eliminate vandalism?

Hon. Jean-Pierre Côté (Postmaster General): I will take that question as notice.

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TRANSPORT

EXPERIMENTS WITH LIQUIFIED GAS AS AUTOMOBILE FUEL TO LESSEN POLLUTION

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Minister of Transport or some other minister to whom it may pertain. In view of experiments in various parts of Canada with liquefied natural gas as automobile fuel in an attempt to cut down environmental pollution, can the minister say whether or not his department is involved in any of these experiments and, if not, is it considering any type of assistance to experiments in this area?

Hon. Donald C. Jamieson (Minister of Transport): I think that all I can do, with your indulgence, Mr. Speaker, would be to say yes, we are involved in these experiments through the transport development agency. If my hon. friend would like to see the tomes that have been written on the subject I would be very glad to make them available to him.

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TRADE

TOBACCO—PROSPECT OF SALES TO CHINA AND JAPAN FOLLOWING MISSION

Mr. William Knowles (Norfolk-Haldimand): My question is for the Minister of Industry, Trade and Commerce. In view of the fact the minister sent a representative of his department with a trade mission from the Ontario Flue-cured Tobacco Growers Marketing Board to China and Japan in an effort to sell tobacco, has that representative reported to his department and, if so, what are the prospects of a market in that area?

[Mr. Rodrigue.]

• (11:50 a.m.)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The information I have, Mr. Speaker, is that this promotional effort is continuing and there are no concrete results to be announced yet.

Mr. Knowles (Norfolk-Haldimand): In pursuing this matter further is the minister arranging a meeting now or soon with representatives of the marketing board in order to follow up any possible ways of promoting the sale of Canadian tobacco in the Orient?

Mr. Pepin: If the hon. member has in mind a meeting between the minister and the group, I might say that I have had a number of these in the past. I am not aware that the group has requested one now but if they have I shall do my best to meet them.

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INDIAN AFFAIRS

CONVICTION OF INDIAN UNDER GAME LAWS OF ALBERTA—REQUEST FOR AID IN APPEAL TO SUPREME COURT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, some time ago I asked the Minister of Indian Affairs and Northern Development if the government intended to intervene in a pending appeal to the Supreme Court of Canada involving the Alberta case of Regina *v.* Cardinal and the upsetting by the appellate division of the decision of two previous courts. Does the government intend to intervene in this case to support the traditional treaty rights of the Indians and to oppose the existing judgment of the appellate division of Alberta? Does the government also intend to help finance the costs of the Indian who is appealing?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, this matter has not been brought to my attention. I will make inquiries and give the hon. member a reply next week.

[*English*]

Mr. Baldwin: I should like to ask a brief supplementary, Mr. Speaker. In considering this matter will the minister bear in mind that the appellant is named Cardinal and is closely related to one of the leaders of the Indian movement in the province of Alberta?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I will inform the hon. member, but this fact will in no way influence my decision.

* * *

[*English*]

HIGHWAYS

NEGOTIATIONS WITH UNITED STATES ON PAVING OF ALASKA HIGHWAY

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the most important but rather neglected Minister of Public Works.

An hon. Member: Senator Laing.

An hon. Member: Governor Laing.

Mr. Nielsen: Can the minister advise the House on the progress being made in the negotiations going on with officials of the United States with respect to the paving of the Alaska highway and, if those negotiations are not making progress, is the Canadian government considering lowering the amount they have proposed as the share to be contributed by the United States in the cost-sharing proposal?

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, we have had two meetings with our American counterparts. As I have reported to the House already, although I think probably when the hon. member was not here—

Mr. Mahoney: That is not hard to do.

Mr. Laing: —the second meeting was not very helpful to us. I think a report is being made to the President of the United States on which he might make an announcement before the end of this month. I think the term "paving of the Alaska highway" is incorrect; we are talking about improvement of the Alaska highway. We are still hopeful that the Americans will accept part of the burden they are placing upon us, because 70 per cent of the traffic is theirs.

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AIRPORTS

PROVISION OF FINANCIAL ASSISTANCE FOR BUILDING OF AIRSTRIPS IN REMOTE AREAS

Mr. James A. McGrath (St. John's East): I have a question for the Minister of Transport arising out of his announcement in the House today regarding aid to municipal airports. What program or policy does he intend to implement to provide aid for the building of airstrips in remote or rural parts of Canada where municipalities do not exist? I am thinking of an announcement the minister made in Newfoundland at an economic conference in which he indicated that such aid would be forthcoming to help build airstrips and I should like to know what policy he intends to implement?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, when the hon. gentleman gets the criteria on sharing which I think will be in the mail boxes of all members today or distributed in some way, I think he will see that this situation has been covered and that these airstrips will come under the classification of remote airstrips and we will be able to help with them.

* * *

EXTERNAL AFFAIRS

EXPRESSION OF OPPOSITION TO TAPS TANKER ROUTE IN RECENT MEETINGS WITH U.S. CABINET MEMBERS

Mr. Randolph Harding (Kootenay West) Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Would the minister inform the House whether, during the recent discussions in Washington with United States cabinet members, he included in the list of irritants Canadian opposition to the increased volume of oil tanker shipments along the west coast and especially in the Strait of Juan de Fuca which will result from the construction of the TAPS pipeline?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): That is not specifically a trade matter, Mr. Speaker, and consequently was not included in the discussions on trade.

* * *

THE CANADIAN ECONOMY

INFLATION—REQUEST FOR PUBLICATION OF PRICES AND INCOMES COMMISSION STUDIES ON CAUSES

Mr. Lloyd R. Crouse (South Shore): I have a question for the Minister of Industry, Trade and Commerce. In light of the promise made last winter by the chairman of the Prices and Incomes Commission that research studies on the causes of inflation would be made public by the end of 1971, can the minister assure the House that these findings will be made available to the House before the Christmas recess?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I shall bring this to the attention of the minister who reports to the House for the commission, Mr. Speaker.

* * *

GRAIN

MAINTENANCE OF EQUITABLE EXPORTS TO UNITED KINGDOM AND EUROPEAN COMMON MARKET—REPRESENTATIONS TO BRITISH PRIME MINISTER DURING VISIT TO CANADA

Mr. Jack McIntosh (Swift Current-Maple Creek): I should like to direct my question to the right hon. Prime Minister. In light of the current reduction in Canadian exports of grain to European Common Market countries, is it the intention of the Prime Minister to impress upon Mr. Heath during his visit to Canada next week the importance of maintaining equitable grain exports to these countries and, in particular, to the United Kingdom, or will that subject be left off the agenda altogether?

Right Hon. P. E. Trudeau (Prime Minister): An agenda has not been set out for this meeting, Mr. Speaker, but this type of representation has been made to Britain and to the European members of the Common Market on various occasions by the Minister of Industry, Trade and Commerce and by the Secretary of State for External Affairs. I am sure Prime Minister Heath and myself will be talking about Britain's entry into the Common Market and so on. He will probably want to point out to Canada that this is the year in which we have had the largest export of grain in our history.

[*Translation*]

INDUSTRY

CLOSING OF LES JUTES DE VICTORIAVILLE PLANT—REQUEST FOR INQUIRY

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask a question to the Minister of Trade and Commerce.

Recently "Les jutes de Victoriaville" shut down because of too many Japanese imports, as everybody knows. The minister is familiar with this industry and I would like to ask him if he has already made an inquiry or if he intends to make one in order to find the real causes. Is he contemplating any measure to help this industry?

Hon. Jean-Luc Pepin (Minister of Trade and Commerce): Mr. Speaker, I would be very pleased to accommodate the hon. member and to make the inquiry suggested if it has not already been made.

* * *

[*English*]

ATOMIC ENERGY

REPRESENTATIONS AGAINST UNITED STATES EMBARGO ON IMPORT OF CANADIAN URANIUM

Mr. Maurice Foster (Algoma): I have a question for the Minister of Industry, Trade and Commerce, Mr. Speaker. In light of the policy proposal statement of the United States Atomic Energy Commission to continue the embargo on the enrichment of Canadian uranium for the United States market, has the Canadian government made representations to that agency inasmuch as the deadline is December 13, next Monday?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was informed that this had been done but I shall have to check to see when it was done and where it was directed. I am not sure if it was directed to the government of the United States or to the commission itself, but I might remind the hon. member that our opposition to the *de facto* uranium embargo has been repeatedly expressed to the United States government.

[*Later:*]

Mr. Foster: Mr. Speaker, would the Minister of Industry, Trade and Commerce make public the representations that have been made to the United States government?

Mr. Pepin: I will look into that possibility, Mr. Speaker.

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INQUIRY OF THE MINISTRY

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I should like to ask the Prime Minister if the reason for yesterday's Senate appointments was to balance any possible dissidence in the other place over the tax reform bill, particularly in view of the recent bravado?

Mr. Speaker: Order, please.

[Mr. Trudeau.]

TRANSPORT

DISCUSSION OF WESTERN CANADA RAILWAY FREIGHT RATES WITH PROVINCIAL PREMIERS AND OFFICIALS—REQUEST FOR REPORT

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question for the Minister of Transport which I have been pressing for some time now. In light of the review of the excessively high freight rates presently existing in the prairie provinces that has been going on for over a year between the minister and his officials and officials of the prairie governments, is the minister in a position now or when will he be in a position to advise the House what action is to be taken with respect to this very serious matter?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the study with regard to the three provinces is moving along quite well. I believe I mentioned earlier that we had completed discussions with Saskatchewan and we have had representations from Manitoba. As the hon. member knows, there is a new government in Alberta and Messrs. Peacock and Dickie were here to see me three weeks ago. They want to review the material that has been achieved to date and put in a submission from Alberta.

* * *

EXTERNAL AFFAIRS

DISCUSSION OF PROPOSED TRANS-ALASKA PIPELINE SYSTEM BY PRIME MINISTER WITH PRESIDENT NIXON AT RECENT MEETING

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, my question is supplementary to that asked by the hon. member for Kootenay West. I should like to ask the right hon. Prime Minister whether on his recent trip to Washington he discussed in any way the Canadian concern about the proposed Alaska pipeline and west coast tanker service with the President of the United States and, if so, whether the President gave any indication that as the head of that country he was prepared to take measures to protect the Canadian environment and property?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, we did not discuss it.

Mr. Speaker: Orders of the day.

Mr. Barnett: Was there any indication with regard to the pipeline—

Mr. Speaker: Order, please. Orders of the day.

• (12 noon)

GOVERNMENT ORDERS

INCOME TAX ACT

Hon. E. J. Benson (Minister of Finance) moved that Bill C-259, to amend the Income Tax Act and to make certain

provisions and alterations in the statute law related to or consequential upon the amendments to that act, be read the third time and do pass.

He said: Mr. Speaker,—

Mr. Baldwin: This is the second book of Ben.

Mr. Benson: —in moving third reading of this bill, I would like to pay tribute and say thanks to several persons: first of all, to members of all parties who were in the House Wednesday evening and who went without dinner to vote on the clauses and subclauses of this bill.

Mr. Baldwin: I could not have held my dinner down.

Mr. Benson: Secondly, may I thank all members of all parties who served on the Standing Committee on Finance, Trade and Economic Affairs and worked during the hot summer of 1970 turning out its report. The recommendations in that report formed the basis for the contents of Bill C-259.

Some hon. Members: Hear, hear!

Mr. Benson: Thirdly, I wish to thank those hon. members of this House, except the Tory members, who spent the summer of 1971 getting an understanding of this bill.

Mr. Baldwin: That is rank discrimination.

Mr. Paproski: The minister had better not say that in the next election campaign.

Mr. Alexander: Just wait until the Senate is through with you.

Some hon. Members: Oh, oh.

Mr. Benson: Next, Mr. Speaker, I wish to pay tribute to the members of the Senate Committee on Banking, Trade and Commerce who submitted a comprehensive report in the fall of 1970. About 50 of the measures contained in the legislation are the same or similar to the recommendations of that committee. That committee has also held hearings this fall while the bill has been in the committee of the whole in this House, and it has issued two reports which will be given serious study by the government. Next, I pay tribute to the government House leader and the House leaders of other parties who in September worked out a reasonable way for debating this lengthy and complex bill during the committee stage.

Mr. Baldwin: Up to a point.

Mr. Benson: Next, I pay tribute to those public servants in the Departments of Finance, National Revenue and Justice who over the past several years have worked long into the night and on weekends to bring about tax reform. Finally,—

Mr. Paproski: Is this the minister's swan song?

Mr. Benson: Finally, I pay tribute to my parliamentary secretary, the hon. member for Calgary South (Mr. Mahoney) who has been the pilot for this bill in the House.

Some hon. Members: Hear, hear!

Mr. Benson: I had hoped to spend more time than I have in the House during the committee stage of the bill but the events of August made this impossible. I am fortunate that there has been such a steady hand around to rely upon.

Some hon. Members: Hear, hear!

Mr. Benson: I should also like to pay tribute to the hon. member for Gatineau (Mr. Clermont), the Parliamentary Secretary to President of the Treasury Board.

Some hon. Members: Hear, hear!

Mr. Crouse: Is this a mutual admiration society?

Mr. Benson: And I should like to pay tribute to the hon. member for Edmonton Centre (Mr. Paproski) and send him over a pair of scissors.

Mr. Baldwin: He might think that they have come from a member of an execution squad.

Mr. Benson: I should like at this time, Mr. Speaker, to deal at some length with the proposal put forward by the Progressive Conservative party in a press release issued on November 14 to split the tax bill. The Conservative party's behaviour on tax reform from the beginning has been such that one might be forgiven for not taking such a proposal seriously. Hon. members will recall that when the white paper on tax reform was published, the Leader of the Opposition (Mr. Stanfield) raced across the country saying the government was planning to ram its contents through Parliament.

Mr. Aiken: Well, it did.

Mr. Benson: He also said that I should not be believed when I said repeatedly that there would be changes. The Conservative party declined to vote either for or against the report on tax reform prepared by the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Lambert (Edmonton West): You are a liar. You are wrong. That is not so. I will tell you what happened.

Mr. Benson: You abstained. The hon. member's party refused to vote for or against.

Mr. Lambert (Edmonton West): That is hot air.

Mr. Benson: At the same time, the Leader of the Opposition gloated about the Commons report and claimed victory over the government. Last February 18 he said:

> That committee adopted about 80 per cent of the criticisms I had been making. There are still defects in the House of Commons report, but the concern now, of course, is how much of that report the Government will accept.

That is the report upon which the Conservative party did not vote. They took no part in the voting.

Mr. Lambert (Edmonton West): This debate will take a lot longer if you go on like that.

Mr. Benson: In other words, only a few months ago the Leader of the Opposition was not worried about the things he is claiming to be worried about today. He was worried about whether the government would adopt the Commons report.

As hon. members know, the government adopted the House of Commons report and went further. At the time of the budget debate in June, the Leader of the Opposition said:

> We accept these changes and in association with others accept a considerable proportion of credit for having brought forward the suggestions and for having brought about the changes.

These are the changes upon which the Conservative party did not vote.

Some hon. Members: Oh, oh.

Mr. Paproski: What choice did we have?

Mr. Benson: Now, the Leader of the Opposition is asking that the bill be split. He is asking, in effect, that the portions of tax reform on which the most time and effort were expended be postponed indefinitely. So, perhaps one might be pardoned for taking the latest proposal with a grain of salt. Nevertheless, I did examine the proposal put forward in the Conservative press release of November 24. That proposal was reflected in the amendment moved here on Wednesday afternoon last.

The first question I asked myself was, what is to be achieved by that suggestion? Would it simply mean more debate? Would it make it likely that major portions of the unproclaimed parts of the bill would be voted down when a resolution was moved to implement them?

Mr. Baldwin: On a point of order, Mr. Speaker, of course we are delighted to hear this.

Mr. Benson: That is fine.

Mr. Baldwin: We wish we could have heard the minister earlier on this subject. The minister has been around this place long enough, and he has been in cabinet long enough, to know that he cannot comment on the decision that the House has taken, a wrong decision in this case.

Mr. Benson: I am not commenting on the decision; I was commenting on a proposition. I asked myself, Mr. Speaker, as I said whether it would simply mean more debate and whether it would be likely that major portions of the unproclaimed parts of the bill would be voted down when a resolution was moved to implement them. Also, would it mean that there would be further amendments to the major portion of the bill that was unproclaimed. Well, it would not mean more debate now, for the press release says that if the bill were split, Parliament could turn to other matters.

The proposal calls for more federal-provincial consultation. I doubt, Mr. Speaker, whether there has ever been an issue on which there has been more intergovernmental consultation.

Mr. Baldwin: Abortive consultation.

Mr. Benson: It was a principal item on the agenda of several meetings of ministers of finance and first ministers and was discussed thoroughly on each occasion. The provinces had a profound effect on the legislation.

Mr. Baldwin: That is not what they say. According to them, that is not correct.

Mr. Benson: It is doubtful if eleven governments could agree on everything in a bill of this size, no matter how often they were to meet.

Mr. Baldwin: That is not correct.

Mr. Benson: But the provinces are sufficiently satisfied to renew the tax collection agreements.

Mr. Aiken: What else could they do?

Mr. Benson: The federal government has been responsive to the problems that the provinces will have in adapting to the new system, and responsive to their requests for change in the future. For instance, we have offered to collect death duties for a three year period for those provinces wishing to join in a common scheme. We extended the revenue guarantee from three to five years.

Mr. Baldwin: You made it too expensive to die.

Mr. Benson: We did that to remove the uneasiness felt by some provinces. They felt that they might suffer financially. On the question of tax credits, we have promised to consider positively any schemes the provinces wish to put forward. The press release also says that a delay would allow Parliament and the government to consider more fully the relevance of so-called "questionable sections" in the present Canadian economic context. This presumably refers to those parts of the bill dealing with international income. As hon. members know, the bulk of these provisions do not come into effect until 1976, and none of the important changes come into effect until 1973. Therefore, there is plenty of time to make changes if circumstances warrant.

• (12:10 p.m.)

I should also say that following the announcement of measures to deal with the U.S. economic problems in August, the government did re-examine this bill. It decided that as a long-term tax reform, this measure is appropriate. If particular actions by the United States warrant specific actions, this government will not hesitate to take them.

Some hon. Members: Hear, hear!

Mr. Benson: The Conservative party also thinks that splitting this measure would provide an opportunity to clarify the legislation. I think that adoption of the Conservative proposal would actually frustrate the process of clarifying the bill. The only way the imperfections in this legislation will come to light is through the actual experience of taxpayers and their advisers reading and using the new act in relation to particular transactions and situations.

They will not have time to do this if we thrust upon the business community what the Conservative party is proposing. If part of the bill were suspended for several months into 1972, many taxpayers, particularly in the business community, would simply not know how to behave. They would not know whether there are further amendments coming which could reach back and affect transactions taking place between January 1 and the date of the tabling of an amendment. They would not know

whether to assess their position under the 1948 Income Tax Act or under the 1972 reform bill.

By the end of this coming January, there will be about 15,000 corporations which will have completed their 1972 fiscal years, and by the end of this coming February this number will be close to 30,000. Would these companies report their income on the old or the new system if the Conservative proposal were adopted? Similarly, there are thousands of partnerships with year-ends ending early in 1972 which would face the same problem.

During the so-called hiatus period, difficult problems of administration and compliance could arise. For example, would it be open to taxpayers to assert that they have no "liability" in respect of a transaction or an event because the bill has not been put into effect. Of course, this could have arisen on a small scale many times when budgets were announced and the legislation was not approved until months later. But the difference here is that the country has never faced a budget proposal of such an order of magnitude. Every taxpayer is affected, and every section of the existing act is affected.

I will provide the House with specific examples of the kind of uncertainty that would arise had the particular amendment proposed by the Conservative party passed. How does one deal with interest paid by a corporation to purchase shares of a corporation during the hiatus period? Has a taxpayer who has disposed of capital property during the hiatus period realized a capital gain subject to tax? Under which rules does a corporation operate during the hiatus period with regard to its surplus accounts, that is, the old or the new rules relating to corporate distributions? With regard to taxpayers making payments to non-residents, for example, withholding tax, which rules apply? Under Bill C-259 there are a number of transactions, particularly in the corporate sector, which require that forms or elections be filed with the Department of National Revenue. If the bill is not proclaimed, the forms will not be available and, therefore, how can a corporation conduct its business?

I think that these examples should be more than sufficient to illustrate the confusion that we would rain down upon the business community. To create this kind of confusion in present economic circumstances would not only be irresponsible but dangerous to the Canadian economy, particularly at this time.

Some hon. Members: Hear, hear!

Mr. Benson: Last spring the Leader of the Opposition spoke of the uncertainty that was present in the business community because the tax legislation had not been produced. I believe that the June budget was welcomed, not just for its contents but because finally businessmen would know where they stood.

The national accounts for the third quarter show that real GNP, corrected for price factors, advanced at a seasonally adjusted annual rate of 6.6 per cent in the third quarter.

Some hon. Members: Hear, hear!

Mr. Benson: This compares to the United States where the figure was 3.9 per cent. Our economy is growing. But we have the fastest growing labour force in the western world and unemployment is still too high. I do not want to thrust upon the business community a proposal like this that would divert their attention from the most important job at hand, creating job opportunities for Canadians.

Some hon. Members: Hear, hear!

Mr. Benson: There are a number of areas that the government is actively studying at this time, and I want to take this opportunity to give the House some indication of our present thinking. As I have said on a number of previous occasions, there will undoubtedly be a number of important amendments introduced next year and I think it only fair that people should be aware of the general direction of our planning.

Mr. Baldwin: Does the Senate have a copy of that?

Mr. Benson: If they read *Hansard*. I have had numerous representations concerning the deemed realization of a capital gain on the gift or bequest of property other than cash to charities and other tax exempt organizations such as museums and art galleries. I am concerned and sympathetic about this issue, but it raises two problems.

First is the possible abuse of the tax system similar to that experienced in the United States for many years. Ultimately the U.S. treasury was forced to enact complicated anti-avoidance legislation in 1969 to curtail the abuses by charitable organizations. I would not like to see a comparable situation develop in Canada. Second is the problem of equity as it relates to the taxpayer who wishes to transfer property as opposed to the taxpayer making a cash gift. The former individual is transferring "tax paid" cash; the latter is avoiding his potential capital gains tax liability.

Inasmuch as capital gains will accrue slowly after the start of the new system, I believe that we have some time to look further at this problem and at ways to permit tax free gifts to tax exempt organizations, and yet to avoid the U.S. experience. I am hopeful that we will soon find an answer to this problem. Many members of employees' profit sharing plans are troubled by the proposed treatment of distributions of property in specie, where such property has an accrued gain. Under the proposed rules, the capital gain is deemed to be realized. It has been argued that in the case of an employee's profit sharing plan, there should be a tax free "roll-out" of accrued but unrealized capital gains.

I am in general agreement with this suggestion, but in previous attempts to deal with this problem we have encountered severe administrative problems. However, I am confident that we will be able to solve the administrative problems early next year. Again, I believe that the situation can stand over until next year because of the slow maturation of capital gains.

There are two points in relation to a deferred profit sharing plan which we are examining closely and I expect to be able to propose amendments early next year. First, amounts standing to the credit of an employee on January 1, 1972, as opposed to amounts vested, should be eligible for averaging under Section 36 of the old act, and I believe that they should and will be in the future. Second, an employee who takes advantage of the Section 36 averaging under the former act should not be precluded from

taking advantage of the new forms of averaging in respect of current contributions. As the bill now reads, if a taxpayer who is leaving the country and is therefore subject to deemed realization of his capital property elects to defer payment until he actually disposes of his property, he is subject to tax in the year of disposal on his world income as if he were a resident in Canada. I hope we shall be able to work out a different rule with less harsh consequences next year.

• (12:20 p.m.)

As I said in the House on October 13, we have received a number of representations relating to the passive income provisions—that is foreign accrual property income—and it is clear that some changes in this area should be made before the provisions take effect. They start in 1973 and go on to 1976. I said at that time:

However, we have concluded that it would be premature to introduce changes at this time before all the representations have been received and given the study they require.

There are two particular points I wish to make about this matter. First, we are re-examining the *de minimis* rule which at present excludes only $500 of income, and we hope to develop a more appropriate rule. Second, many taxpayers have expressed concern that rental income, interest income and capital gains on property used in connection with an active business will be subject to the foreign accrual property income rules. The bill is quite clear on this point, namely, that such income will not be treated as foreign accrual property income if it is earned in connection with the carrying on of an active business. I want to reassure the House on this point. Frankly, people are misreading the bill in this connection and those who urge that the term "active business income" be precisely defined are arguing against their own best interests. If the term is defined, it is bound to be defined narrowly. As it now stands, there is room for the taxpayer to argue about specific factual situations.

Finally, I want to refer to the many representations I have received in connection with a relaxation of the rules relating to roll-overs and corporate reorganizations. This is a very complex area, and I have instructed my department to carefully review the proposed rules under Bill C-259 to see if they can be extended without undue prejudice to the system as a whole. I am hopeful that early next year we will have some positive steps to recommend to the House in this area, after we have had a general study of the matter and have seen the present rules in operation.

Mr. Speaker, I think we have achieved a good deal from the decade-long debate on tax reform. For example, there are increased exemptions and improved deductions for wage and salary earners and retired persons. For the first time we will have a capital gains tax. The taxation of corporations and their shareholders has been improved. We have retained substantial incentives for the mining and petroleum industries but directed the incentives toward benefitting Canadians more. There are improvements in the taxation of business and property income. There is, I believe, a general consensus in the country that this represents a good reform. This was reflected by the voting here on Wednesday evening. Out of 293 potential votes, there were only 29 standing votes and on most of these there was at least one opposition party voting with the government. On only six votes was the government standing alone.

[Mr. Benson.]

Mr. Lambert (Edmonton West): Absolutely ridiculous.

Mr. Benson: We will now have one of the best tax systems in the western world. As soon as everybody starts working within it, we can make it even better.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, one would hope that the minister might remain so that he could hear some comments on what I would call the most fatuous speech we have ever heard. One would be tempted to reply in kind, but I would say that all the hon. gentleman's preliminary remarks with regard to the conclusions of the finance committee in 1970 were deliberately wrong.

Mr. Gibson: Oh, come on.

Mr. Lambert (Edmonton West): If he wishes also to include during that time the wholesale platooning through the committee of Liberal backbenchers who had attended very few sittings and who were assigned to vote, and who voted upon the recommendations of the committee—we could point them out—

Mr. Mahoney: Read the record.

Mr. Lambert (Edmonton West): We could do that. We could go through the record and see who were the ones who were on the committee and who were not. I say this, too, as far as this so-called highlighting—

Mr. Gibson: It was highlighting.

Mr. Lambert (Edmonton West): The hon. member for Hamilton Wentworth (Mr. Gibson) usually makes those noises from that great vacuum which exists between his ears.

An hon. Member: Ear, ear.

Mr. Lambert (Edmonton West): He not only makes them against the rules, but he—

Mr. Gibson: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Hamilton-Wentworth rises on a point of order.

Mr. Gibson: It ill becomes the hon. member to make the statement he did. He has nothing from the neck up.

Mr. Lambert (Edmonton West): We have always understood the great contribution made to our debates by that hon. member.

I will say this for the edification of the minister who likes to highlight this business of the final vote in the committee. Let him recall that all the opposition members associated with me on the finance committee in connection with that report came from distant parts of the country. The final vote came toward the end of the week when they had to be in their constituencies.

Some hon. Members: Oh.

Mr. Lambert (Edmonton West): Alright; this is fine. The minister lives in central Canada, and only central Canadians from the Liberal party were on the committee.

Mr. Benson: The Liberals stayed but the hon. member did not vote.

Mr. Baldwin: On the same point of order, Mr. Speaker, we all know that the government members are here because the Prime Minister told them to be here.

An hon. Member: What did Stanfield tell you?

The Acting Speaker (Mr. Laniel): Order. The hon. member for Edmonton West should be allowed to make his speech. Some of his remarks may be objected to by other members, but those members can take the floor later during the debate and make their views known.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): I will just tell the minister that if he had known there were so many central Canadian members taking part in the final vote, members who had no other interest but to be at that final vote, he would also have known that the members of our group were catching aircraft at the noon hour on that very day.

Some hon. Members: Shame.

Mr. Lambert (Edmonton West): Alright; all those catcalls come from members across the way who sit in their comfortable pews.

Mr. Francis: We are in the House of Commons.

Mr. Lambert (Edmonton West): Oh, yes. That remark comes from the hon. member for Ottawa West (Mr. Francis). If you wish to avoid these situations, you will have to arrange the flight times of communicating flights out of Ottawa. Don't start talking about the difficulties of travel to people who come from the far reaches of the country.

Mr. Mahoney: You were there.

• (12:30 p.m.)

Mr. Lambert (Edmonton West): I abstained because I knew very well that the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) would say that we all voted in favour of the blessed report. There are lots of things in the report I do not like, and in using my right to abstain I exercised the same right as other hon. members who voted either yes or no. I exercised a far wiser option than those members who came into the committee simply because they were asked to and voted on something they knew nothing about. They were the blessed sheep who were trotted in here. The final part of the committee hearings was a travesty.

If the minister wants to get into this kind of debate, then we will answer him in kind. So far as his interpretation of the amendment that I put forward last Wednesday is concerned, which was, as indicated earlier, the subject matter of discussion between the House leaders, the minister has given a deliberate distortion of its effect. The President of the Privy Council (Mr. MacEachen) knows the interpretation to be put upon it. There is no such thing as an effective date of January 1, 1972. On the other hand, all these so-called difficulties that were trotted out by the Minister of Finance arise simply from his failure to read and to understand the amendment. The effective date in law can only mean the date of the proclamation, not January 1, 1972. It is only the minister's insistence on January 1, 1972 that makes him say what he said.

Mr. Gibson: Next point.

Mr. Lambert (Edmonton West): I hope that the hon. member is going to have something to say in this debate, too. The minister insists that in its vote on Wednesday night the committee of the whole gave approval to much of the bill. There is no way that we were going to insist on a standing vote on every clause. The minister should include all those clauses on which "on division" was called, all those on which there had been prior votes. There were some 130-odd sections that had been called prior thereto, and some of the votes on those had been on division. The minister's words result from the glibness of some speech writer who thought that he was going to make some sort of political hay out of a voting situation the other night that was unparalleled in the history of this House. If the opposition had insisted on a standing vote on each clause on which there was to be a division, the committee would have been here until three o'clock in the morning.

An hon. Member: What is wrong with that?

Mr. Lambert (Edmonton West): We are not saying that it would have hurt government members any more than it would have hurt members of the opposition. The point is that it is traditional to call "on division" as an indication of opposition.

The minister tried to give the impression that there were only 29 occasions during this evening when there was a formal division, that on six of those occasions the opposition were together, and that this shows that the bill had the uniform approval of the committee of the whole. As a matter of fact, the minister has not got the support of the country in rejecting the amendment moved by the Leader of the Opposition (Mr. Stanfield) on clause 1. The great majority of newspapers that back the Liberal party are opposed to the minister's position.

Mr. Haidasz: They are Conservative editorial writers.

Mr. Lambert (Edmonton West): No, they are newspapers that normally support the Liberal party; yet each and every one of them condemned the government for using the guillotine. They also insist that there should have been a division of the bill. The minister should see the amount of mail I am getting now from people who insist even yet that the bill be divided, but not in the sort of bogus way the minister has suggested.

Let me read the motion so we can see what its effect will be. It is not January 1, 1972 that is to be the effective date; the effective date is the date of the proclamation.

Mr. Benson: It is the date of the tax changes.

Mr. Lambert (Edmonton West): The minister reminds me of a former Secretary of State, the lady member from Niagara Falls, and of the attitude she took when she presented the first version of the Canada Pension Plan. It was the most perfect plan in the world and anyone who criticized it was foolish. As a matter of fact, to use her own term, they were stupid. Nevertheless, the plan went through four revisions. The same can be said of this tax

bill. The white paper was lauded by the minister as representing the ultimate in forward, progressive tax thinking.

Mr. Drury: That is just what this bill is.

Mr. Lambert (Edmonton West): The President of the Treasury Board (Mr. Drury) should have heard the speeches which the minister made in various parts of the country. I saw him on television declare that this white paper was going to produce the greatest tax system in the world, with all these provisions in regard to integration, the taxing of Canadian corporations, and so on. The greatest benefit to mankind was to be the absolute neutrality of the tax system. Various government members sat around in a claque singing hosannas to the Minister of Finance. Then, the white paper ran into difficulties and all was changed. I was surprised to hear the Minister of State in charge of scientific affairs (Mr. Gillespie), for one, say that this was a great tax proposal.

Mr. Gibson: Hear, hear!

Mr. Lambert (Edmonton West): I am talking about the white paper, not the bill. The hon. member for Don Valley (Mr. Kaplan) was another one who said the same thing. When the final committee report came out, how they clutched it to their breasts.

Mr. Gibson: We had an open mind about it.

Mr. Lambert (Edmonton West): If they had an open mind, then the hon. member has a closed one. It was almost pathetic to see this reversal of attitude on the part of government members. They had been opposing other members, and even witnesses, who were criticizing the white paper. Some of them were quite openly hostile to such witnesses. It was great to see their performance, and then this complete reversal. As soon as the government spoke, why, there was a great change. It was almost like what happened at Pentecost when the Apostles were touched with a flame, with the spirit. My, Mr. Speaker, how those members were converted, and how this thing then became so good.

• (12:40 p.m.)

And the same has happened again, Mr. Speaker. Every time there has been a change made to Bill C-259 we have had nothing but a clacking of desks, and so forth, as though a new miracle were being performed. That happened even this morning with the penultimate, in fact not only penultimate but the after-the-post-mortem changes announced by the Minister of Finance (Mr. Benson). Frankly, Mr. Speaker, they are a cheap bribe to the Senate.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): If the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) will only take time to read some of the Senate committee recommendations, he will see that the changes announced this morning are what I call a cheap bribe. They are tossing the senators a few crumbs. We will see what the Senate's attitude is going to be. Senators have told me, "This is one time we are going to stand." I hope that they will demonstrate how and where they stand with regard to their recommendations. This will either prove their credibility or otherwise. Here I am talking about Liberal Senators who comprised the majority on the Senate Banking, Trade and Commerce Committee, and who drafted its recommendations.

The Senate Committee did a good job. I heard from the public, which is more than the Minister of Finance did, and more than members of our committee or of our House did. It heard from the public in detail in regard to the bill. I openly invite Senators to stand by their recommendations. We will see just how much weight those gentlemen carry with the Minister of Finance and his colleagues. It seems to me there is a great potential here. They will either do a service to the country, or a great disservice to themselves and the country. Senators are up against the crunch, and we will have to see if they knuckle down because there is the prospect of a Christmas vacation, or because of what I call these cheap bribes offered with regard to a few paltry provisions in the bill.

One of the reasons we were dissatisfied and voted against the bill was the complete inability of any member in the opposition to get definitive answers on many of the points that they raised. The representatives of the government just sat there and hunkered down. Certainly, once the guillotine was introduced no definitive answers were given to any of the legitimate representations made by opposition members on points raised by the public with them through letters, telegrams and phone calls.

There was no serious examination of the effect of certain sections. I will give a classic example of what I am talking about. I refer to my objections to the effect in law of section 239(2), and the effect in law of section 221(2) with regard to the retroactive effect of regulations. Government members all voted for this, and there was no answer to my objections. I know that the Liberal caucus was divided on this matter. Many members told me that they had not realized the implications of the bill until I had mentioned the effect of these sections. None of them realized, and still do not appear to realize, that under section 243 there cannot be any suspension of a sentence. All must go to jail if they are sentenced to jail. No judge at any time can suspend sentence.

But a judge can suspend sentence for armed robbery in appropriate cases. A judge can suspend sentence for indecent assault in appropriate cases. Sentences can be suspended all the way through the Criminal Code, but for any offence under the Income Tax Act, if the authorities choose to proceed by way of indictment and a person is convicted the judge has no option but to sentence him to jail. If any members opposite realized the salutory effect of a conviction and sentence to imprisonment, with the sentence suspended, they would also realize that section 243 is barbarous. It belongs to a past age.

Oh, Mr. Speaker, we heard the great hosannas sung by government members in support of the Solicitor General (Mr. Goyer) and the Attorney General of Canada (Mr. Turner) when they introduced amendments to the law concerning bail and the wiping out of records. Those government members and their hosannas are hollow and hypocritical if they maintain that posture and yet vote for section 243. But, Mr. Speaker, they voted for it, not knowing what on earth it was all about. One of my colleagues says they didn't even read it.

A judge will not have power to suspend sentence. Yet there are supposed to be great, enlightened reforms in this bill. Did we get any answers on that subject? None at all. The Parliamentary Secretary to the Minister of Finance just hunkered down on Wednesday when he returned to the House, and we could not get any answers from his replacement. Then, they wonder why we react in this way.

We got no answers with regard to the attitude of the provinces at the very last meeting between the federal government and the provinces. Mr. Speaker, eight provinces have entered into agreements, expiring in 1972, with regard to the collection of taxes on a common basis. But the Minister of Finance deliberately omitted reference to the province of Ontario and to the province of Quebec with regard to corporation tax and with regard to a personal income tax in the province of Quebec. Those two provinces account for two-thirds of the taxpayers in Canada, yet the federal government says to them, "Amend your legislation right now; conform!" As I have pointed out time and time again this is supreme arrogance on the part of the federal government which has only joint jurisdiction in the field of income tax. The provinces have equal jurisdiction with it.

I see that the parliamentary secretary is making notes. I hope he will reply and tell us what advice is going to be given to corporations in the provinces of Ontario and Quebec with regard to their differing systems. Of course, he may only be signing Christmas cards.

• (12:50 p.m.)

Mr. Lewis: That is what he is doing. It is the right time of the year.

Mr. Lambert (Edmonton West): What about representations from the resource industries; what answer has been given to them? The answer is, tough luck boys, you are going to take it. My colleagues intend to develop this aspect to a much greater extent. One of the areas of concern in this House related to the elimination of the basic herd concept. The debate was merely adjourned in order to pass on to something else, I suppose because the heat was becoming uncomfortable. We saw the restoration and retention of the basic herd concept after the Liberal caucus got its lashes last Thursday following their defeat in the House. The basic herd trooped in here. They stood up and voted, no matter what the vote was on. They voted straightforwardly. One hon. member, however, when it came to the question of prospectors and grubstakers, one of the members from northern Ontario, had the courage to stand by the conviction he expressed at previous meetings of the Committee on Finance in this regard. He voted against the proposal. I would have liked to have seen a few others have the courage of their convictions in respect of that particular point.

The questions about the basic herd concept have not been answered. Perhaps we will get some answers in respect of this and some explanation why the government insists on completely misunderstanding the concept of agriculture in this country. Perhaps the government will explain why it insists on the elimination of this principle which is fundamental to the operation of a farm, as well as its insistence that farm land which continues to be used for farm purposes shall be subject to capital gains tax. We moved amendments. They were voted down against a solid opposition stand in favour of exempting land which continued to be used for farm purposes. This displays an urban orientation, an urbanized philosophy in complete disregard of a very important segment of the Canadian population and a very important segment of the Canadian economy. But, oh no, these farmers are to be put through the tax wringer. The screw is to be applied that much harder. We can say the same thing about corporations. More money is to be taken from the corporations but their revenues are not to be increased. Yet, they will have to compete on an equal basis against even tougher competition from abroad.

Bill C-259 was prepared and conceived in rather different conditions. Economic conditions in the world, and as they would affect Canada, were not in existence when Bill C-259 was conceived. There was no idea that Britain would vote to enter the European Common Market. There was no idea that Britain would get into the Common Market. This will affect Canada in the future. I invite the Minister of Industry, Trade and Commerce (Mr. Pepin) to put his mind to the effect this taxation and the legislation his colleague is going to bring in, the Competition Act, will have on the input by his department in encouraging Canadian business. We have the left hand moving one way and the left hand just pulling it back.

Mr. Knowles (Winnipeg North Centre): You have your hands mixed up.

Mr. Lambert (Edmonton West): One hand going forward and the left hand pulling it back. They are all left-handed. On the basis of what I have said, I am going to move an amendment, seconded by the hon. member for Perth (Mr. Monteith).

That Bill C-259, an act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, be not now read a third time but be referred back to Committee of the Whole with an instruction that the committee has power to so amend the bill as to affirm that farmers occupy a special position in the economic structure of Canada and to this end to consider, in particular, the advisability of amending sections 29 and 39 as set forth in clause 1 of the bill, together with related or consequential provisions, in such manner as to continue recognition of a farmer's basic herd as a capital asset and to permit land, together with any other capital property, which is used by a person in a farming activity to be transferred by him, either during his lifetime or on his death, without being subject to capital gains treatment under the deemed realization provisions of the bill where the transferee uses such land and property to continue farming within the meaning of this act.

I have put forward versions of this amendment in English and in French.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to examine the amendment that is being proposed by the hon. member for Edmonton West (Mr. Lambert) and to make the argument concerning its regularity after I have examined it.

Mr. Knowles (Winnipeg North Centre): One o'clock.

Mr. Francis: On a point of order, Mr. Speaker, as I understand the motion it was seconded by the hon. member for Perth. I do not think a member who is not in the House can second a motion.

Mr. Lambert (Edmonton West): The hon. member was in the House. Shall we say, if it affects the sensibilities of the hon. member for Ottawa West, that I will have the hon. member for Parry Sound-Muskoka second it.

The Acting Speaker (Mr. Laniel): The Chair would also like to consider the amendment. It being one o'clock I now leave the chair. The House will meet again at two o'clock.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Laniel): Just before the House rose at one o'clock, the hon. member for Edmonton West (Mr. Lambert) moved an amendment, and it is my intention at this time, following the request of the government House Leader who wanted to look at this amendment during the lunch hour, to read the amendment to the House for the benefit of hon. members from whom I will invite comments as to the procedural acceptability of the amendment.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, as I indicated before the recess, I have some reservations about the regularity of this amendment, especially that part of the amendment which asks that the bill be referred back to the committee of the whole with an instruction that the committee have power to so amend the bill as to affirm that farmers occupy a special position in the economic structure of Canada. I believe that it might be appropriate for the hon. member to ask that the bill be referred back to the committee of the whole with the request that the committee consider the advisability of amending sections 29 and 39 as set forth in clause 1 of the bill, but it seems to me that the insertion of the general principles that are contained in the present amendment goes beyond what is possible at the third reading stage.

There are a number of references in the fourth edition of Beauchesne which bear directly on this point, especially citations 415 and 418. At the bottom of page 287, the last paragraph of citation 415 reads as follows:

(4) On the third reading of a bill, an amendment to refer back to the committee of the whole must not tend to change the principle approved on the second reading.

The second sentence of citation 418 on the next page reads:

All amendments which may be moved on a second reading of a bill may be moved on the third reading with the restriction that they cannot deal with any matter which is not contained in the bill.

It seems to me that an amendment which asks the House to make a decision on the special position of agriculture is dealing with a matter which is not contained explicitly within the provisions of the bill. It may be, and certainly is, a totally desirable objective, but the place to have that principle asserted is not in an amendment at this stage of the bill.

So I would suggest that while it is possible to refer the bill back to the committee of the whole on third reading to reconsider or examine certain aspects of the bill, and certain clauses, and to reconsider any particular subsection, I believe that in this particular part of the amendment there is an assertion of a principle which goes beyond what is possible on the third reading stage.

• (2:10 p.m.)

Mr. G. W. Baldwin (Peace River): Mr. Speaker, there are several reasons for the amendment being in order. First, may I cite to Your Honour the fact that the hon. member for Edmonton West (Mr. Lambert) offered the amendment but there are other equally valid reasons. To deal with the point raised by the President of the Privy Council (Mr. MacEachen), I would point out that it is possible for reasoned amendments to be offered on third reading. I am not suggesting that this is a reasoned amendment, but if we are inhibited from suggesting that there is a principle involved—if it can ever be said that there is a principle in a tax bill to start with—then it is competent for hon. members seeking to amend to come within the grounds of a reasoned amendment.

In May's 17th edition, at page 571, the author deals with the various types of amendments which may be moved on third reading. He refers to putting off third reading through the use of a reasoned amendment against the bill now being read a third time. At page 572, he goes on to say:

As the debate on the third reading should be confined to the contents of the bill, reasoned amendments which raise matters not included in the provisions of the bill are not permissible.

That is the rule in Beauchesne which has been enlarged and is cited by my friend. Here, we have a bill affecting great numbers of people of various classes throughout this country. There was proof of this when the House leaders got together to try and arrange an orderly discussion of this bill. The subject matter was divided into clauses dealing with various groups and classes relating to one specific area, one particular group in the community who would be affected. There was no other way available to us.

The operative parts of the amendment read:

—with an instruction that the committee have power to so amend the bill as to affirm that farmers occupy a special position—

And it goes on:

—and to this end to consider, in particular, the advisability of amending sections 29 and 39—

As a basis for the review which the amendment asks the committee to engage in, there has been inserted the need to amend sections 29 and 39. But there is a certain purpose behind that, Mr. Speaker. If the government House leader, representing the government view, finds it offensive that the committee should have regard for the fact that farmers "occupy a special position in the economic structure of Canada" then, with reluctance, I would be prepared to delete that part. What the House is saying to the committee is this: "Because in our view, and it should be your view, farmers do occupy a special position you should therefore review clauses 29 and 39 in the hope that they may be amended to make the special position of the farmers more solidly fixed through this legislation". If it is a matter of curing any defects, I think we might be able to eliminate those words but I think it would be unfair and improper to eliminate those which are not the opera-

tive words but which would come within the proposition of a reasoned amendment.

As to the rest of it, Mr. Speaker, we are dealing with a tax bill and a tax bill has no principle. This tax bill, however, has even less principle, and I firmly reject my desire to make a long speech about that, but will say that within the special meaning assigned by the rules of this House to principles, there is no principle involved. This act is entitled:

An act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act.

Then, we go through most of the Income Tax Act, which is an amending act 707 pages long.

Mr. Lewis: It is 739.

Mr. Baldwin: All right, it is 739; I accept the reasoned amendment of my friend, the hon. member for York South (Mr. Lewis). We discover that it deals with almost every conceivable activity of society in Canada. The committee very seriously dealt with the bill according to groups and classes as had been suggested by the House leaders. What we are asking now is that we try to keep our debate on third reading in general conformity with what was done in committee. My friends to the left could ask that the bill be sent back to committee so that it could deal with special clauses and we could ask for the same thing. But surely, it would be idle to do so. We have taken the two clauses which have a special relationship to the agricultural industry in our opinion and have asked that the committee reconsider these, then report back to the House with recommendations. That is the classic and recognized manner in which, on third reading, this bill can be sent back to the committee.

I conclude on this note, Mr. Speaker, that when we consider the ramifications of this bill and the extent to which our Standing Orders and the precedents and practices under them were adjusted to meet the extraordinary circumstances of this bill, I do not believe that the President of the Privy Council had his heart in this objection. I think he realized, as I do, that we are now engaged in a debate which may and probably will last for some days. If there is to be an orderly and intelligent debate, then we must follow the pattern laid down in committee of the whole. This may call for some flexibility in the manner in which the Chair examines amendments from time to time in so far as Standing Orders and precedents are concerned. Without that freedom and flexibility in dealing with a bill of this kind, and unless we are able to take a particular clause or section and say that we will refer it back to the committee for review, possible alteration or recommendation, the House may need to consider this bill for a long time.

• (2:20 p.m.)

Answering those who say that some of these things may have been discussed, I say, yes. Nevertheless, this is a particular method which has been devised in the mother of parliaments and accepted here. We shall be able to obtain recorded votes on areas that have been voted on in committee. Hon. members of the House will be able to have their names entered in the records of the House to indicate their position on any one of these subject areas. I am sure that hon. members on the other side of the House would, for different reasons, also like to be recorded as being in favour of certain parts of the bill which we might, incidentally, challenge in this particular procedure. If that is not done the opportunity for members of this House to embark on fair, full and informed discussion may be impaired, seriously inhibited, and almost crippled. If the opportunity for hon. members to be counted in a recorded division of the House on this type of amendment is not to be made available, and if this type of amendment is not found acceptable, then I say we are in a very poor position so far as future debate on third reading is concerned.

Before sitting down, may I make another comment. If members on the government side feel unhappy about the words in the motion, "farmers occupy a special position in the economic structure of Canada," let me say, and although my friend from Edmonton West (Mr. Lambert) is not here I think I will have his consent, that I would be quite happy to take those words out of the motion. I think I have made our position quite clear on it.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, speaking on this suggested amendment or change in the motion, certainly, I would waive any procedural objections in view of what my hon. friend has said about proceeding with this bill in committee of the whole. If we were to delete, following the words, "that the committee have power to so amend" the words "the bill as to affirm that farmers occupy a special position in the economic structure of Canada and to this end to consider, in particular, the advisability of amending," the motion would read in part, "that the committee have power to so amend sections 29 and 39," and so on. That would focus the debate on these two clauses and would not put hon. members in the position that if they voted against changes in sections 29 and 39 or voted against the proposition that there be a reference back to consider sections 29 and 39, they would at the same time be voting against a declaration that farmers occupy a special position in the economic structure of Canada. That is exactly what we would be forced to do if the amendment were put in its present form. That is a declaration of principle which we would support if it stood on its own, in a separate place. However, since it has been put in here and because of its effect on this clause, we would have to vote against the clause as a whole. If my hon. friend will do as he suggests, I will certainly waive any procedural objection.

Mr. Baldwin: I will do that. However, the President of the Privy Council could move to exclude those words from this declaration.

Mr. MacEachen: No, thank you.

The Acting Speaker (Mr. Laniel): Before recognizing the hon. member for Winnipeg North Centre, I will try to be clear about what words are to be deleted. If the hon. member for Peace River and his party agree to delete certain words, I am sure that this will limit the procedural debate.

Mr. Baldwin: Mr. Speaker, if the President of the Privy Council feels that the words in question are the words which debar him from accepting this motion as one which

it is desirable to debate I will, although with great reluctance, ask for those words to be deleted.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, enough has been said, and enough agreement has been reached, to make it unnecessary for me to enter into the argument. If I had spoken earlier, I would have suggested something along the line of the solution that seems to have emerged. Now that there is discussion over the precise words in the amendment that are to be deleted, may I, for simplicity's sake, suggest that we begin at the end of line 5 of the typewritten text in English and delete the words, "to so" and so on. Incidentally, that would enable us to get rid of the split infinitive.

An hon. Member: Purist.

Mr. Knowles (Winnipeg North Centre): I suggest that we delete the words, "to so amend the bill as to affirm that farmers occupy a special position in the economic structure of Canada and to this end." Let us take out that phrase, even though it is a good one and we like it. However, we are now thinking procedurally.

Mr. Baldwin: I will remember that.

Mr. Knowles (Winnipeg North Centre): That part of the amendment would then read, "with an instruction that the committee have power to consider, in particular, the advisability of amending sections 29 and 39", and so on. That way we would not need to take out a word here and there and put in some other words somewhere else. I hope that that is in line with the sense of what the hon. member for Peace River (Mr. Baldwin) and the President of the Privy Council (Mr. MacEachen) have been saying.

While I am on my feet, may I say that we find nothing procedurally offensive in the motion before us, although for procedural purposes it will be better if that deletion is made. But may I make it clear that although we do not object procedurally to the amendment, there is something at the end of it which we want to qualify and, when our turn comes, we shall move an amendment to the amendment. My main purpose in rising was to suggest to my fellow House leaders the words that might be deleted.

Mr. Baldwin: If the Chair has looked at the amendment, perhaps it is acceptable. The hon. member for Edmonton West is not here, as I said, and I am sure that he would be as sad as any parent whose child is emasculated if he were here. However, what is left will still be an effective vehicle for debating this particular area. We could still carry on some discussion and, hopefully, divide the House, which might be in favour of this issue.

Mr. MacEachen: Mr. Speaker, I quite agree with the solution suggested by the hon. member for Winnipeg North Centre and wish to say again that I have no objection whatever to the substance of those words being deleted. This is purely a procedural move. That must be clearly understood, despite the delicacy of the comments made by the hon. member for Peace River.

Mr. Baldwin: We will remember this. The minister is against the farmers.

The Acting Speaker (Mr. Laniel): Order, please. I thank hon. members for expressing their opinion on this motion.

[Mr. Baldwin.]

The agreement that has been reached really makes it much easier for the Chair to accept the motion, and I have no alternative but to put the motion at this time. I wonder, however, if I should not ask the consent of the House to make the correction to the motion for, although the motion was not moved before one o'clock, it was read. Is it agreed that the correction suggested by the hon. members who participated in the procedural debate shall be made and incorporated in the motion?

Some hon. Members: Agreed.

• (2:30 p.m.)

The Acting Speaker (Mr. Laniel): The hon. member for Edmonton West (Mr. Lambert) moves as follows:

That Bill C-259, An Act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that Act, be not now read a third time but be referred back to Committee of the Whole with an instruction that the Committee have power to consider, in particular, the advisability of amending sections 29 and 39 as set forth in clause 1 of the Bill, together with related or consequential provisions, in such manner as to continue recognition of a farmer's basic herd as a capital asset and to permit land, together with any other capital property, which is used by a person in a farming activity to be transferred by him, either during his lifetime or on his death, without being subject to capital gains treatment under the deemed realization provisions of the Bill where the transferee uses such land and property to continue farming within the meaning of this Act.

Mr. John Burton (Regina East): Mr. Speaker, today as I listened to the Minister of Finance (Mr. Benson) when he was making his comments on the introduction of third reading of Bill C-259, I did so with a good deal of amusement at the front the Minister of Finance was trying to put up. He was trying to make out "Well, we have come through that battle. We crossed over those hurdles. Now, we are in the final stage of the battle and pretty soon the fight will be all over." You could almost hear the sigh of relief with respect to the over-all situation being uttered when the minister was making his remarks. I suppose he is justified in issuing a sigh of relief when he has a weapon such as rule 75C to get him over some of the hurdles he has encountered in dealing with the massive document now before us.

Some of the minister's comments on the votes taken last Wednesday night were nothing short of fatuous. The Minister of Finance attempted to make out that there were only a limited number of standing votes that had to be decided by the committee on Wednesday night. He tried to suggest this was some kind of justification for the government's decision to invoke rule 75C to close off the committee stage of debate. This completely begs the issue.

Many sections of the bill deal with mechanical aspects of the tax system. They are consequential upon the basic decisions which are involved. I will give one example. We in this party took a stand on the policy with regard to the question of capital gains. This is contained in section 38. Numerous sections following section 38 of clause 1 deal with the mechanics of taxing capital gains and with some of the consequences that flow from a decision to impose a form of taxation on capital gains. The members of this party saw little to quarrel with in connection with the mechanics involved and some of the consequential features. Therefore, there was not much to argue about. Our main argument had to do with the basic inadequacy of the

prime proposal, namely to tax capital gains at only a 50 per cent rate.

What we have before us at the present time is not tax reform, as has been suggested by the Minister of Finance. We have had a good deal of tidying up of various features. Some anomalies have been removed. There are some inequities in particular parts of the act which have in fact been corrected. We acknowledge this. However, the government has failed to come to grips with the basic issues of taxation which had to be dealt with in considering this legislation.

There is one part of the bill with which this party is quite happy. I refer to the changes that were introduced respecting taxation of co-operatives and credit unions. As was indicated in the committee stage, we are very happy with these provisions. We are happy that at last the government saw fit to bring in these changes after a great many representations from the co-operative movement and credit union movement, after considerable debate in this House and representations from all parties. We in the New Democratic Party made it clear we would battle until the necessary changes and reforms to this particular part of the taxation bill were brought about. We were happy to see that members of the other two opposition parties joined in this fight. I give credit to those members who did so. In fairness, it must also be said that some credit is due to those government members who took a stand on this particular issue. Here I include the President of the Privy Council (Mr. MacEachen) and backbenchers such as the hon. member for Essex (Mr. Whelan) and the hon. member for Gloucester (Mr. Breau). Just where some of the other members stood on this issue is not quite clear. They were ready to join the parade once the battle was over, but they were not in evidence at the time of the battle. I want to give credit where credit is due. It is a credit to the House of Commons and all concerned that changes were made to this particular part of the bill.

I now come back to the bill as a whole. In looking at the situation at this stage, the beginning of third reading debate, after the lengthy consideration that has been given to the white paper, the study by the Standing Committee on Finance, Trade and Economic Affairs and the previous consideration which has been given to the bill, it can be said in summing up that the result lays to rest two basic elements of Liberal dogma and propaganda as they were put forth in the last election and as they have been loudly trumpeted since that time.

The first contention was that the government was going to work toward a just society. This was a favourite phrase in the 1968 election. I suggest that Bill C-259 leaves the just society in ruins. When we ask where is the principle of equity in Bill C-259, we find that it is really a distant and far removed principle in the application of this bill. If the just society was to mean anything, the principle of equity had to be paramount and a first consideration in this tax legislation. This was not the case.

Why did the cabinet give in? I have to assume that they were sincere in their assertions in 1968. They were sincere in many of their assertions since that time, but somewhere along the line the government buckled in to every major pressure by corporate interests in this country. I am even more disappointed with the Liberal backbenchers. They strongly maintained in 1968 that they were going to follow through in building this just society. Where were they when the crunch came? Their views were expressed in large part by the report of the Standing Committee on Finance, Trade and Economic Affairs. This reflected the views of most government backbenchers. It is clear from this report that they decided to give first place to the principle of economic growth as opposed to the principle of equity. The NDP members on the committee, of course, disassociated themselves from that stand. They issued a minority report which took a different approach. Here again, I place one exception on the record; it has to do with the stand which was eventually taken concerning the taxation of co-operatives and credit unions.

• (2:40 p.m.)

The consequence of this legislation, assuming it is enacted, will be a great deal of public disillusionment. This can be expected once the act is in effect. The Canadian people will then see just what a sham Liberal propaganda has been, how hollow are the claims that this is a great tax reform measure. The Canadian people will realize that what they are getting is the same old system, the same old concessions to vested interests and corporate interests.

There is a second basic underlying point which is worth comment. It is that the Liberals' concept of participatory democracy, their pretense that they were practicing this principle, has proved to be hollow indeed. When considering the tax changes which were approved we have to ask ourselves the question: who appeared before the committee? Who was heard? Who got the most attentive hearing? It can be said, and I think fairly, that no one was barred from making a presentation or appearing before the committee. But the situation which developed illustrated one of the basic flaws in the structure of our society, that is to say, it is the rich and powerful who are in a position to influence the course of affairs. It is they who can influence legislation, influence the terms of the deal which will finally be approved, but the little guy is too often left out in the cold. This was certainly the case during the consideration of these tax changes. The government can in no way claim that the process involving the white paper and the committee hearings was a real exercise in participatory democracy.

I should like to deal, now, with the position taken by the official opposition, the Progressive Conservative party. They certainly made a lot of noise during this debate. I suggest they have also created a lot of confusion. When I say this I also acknowledge freely and fully that many valid points were raised by individual members of that party. With some of these views we agreed. Others, we did not agree with. I do not wish to question the sincerity with which many of these arguments were advanced by members of the official opposition during the consideration of the white paper and in subsequent debates, but it also has to be said that there were some phony positions taken by the official opposition. I shall refer to two.

The first was the position taken on the question of splitting the bill and the second was the contention that no one understands what is in the bill. I believe the proposition that the bill should be split up was completely unworkable. It was impracticable. In our party we are opposing the bill because of its inequitable basis, because we feel it is an iniquitous piece of legislation. We could

not, however, approve a proposal which simply suggested we should split the bill and allow one part to come into effect immediately and another part to take effect later after a resolution of the House of Commons.

As for the assertion that no one understands the bill, I cannot accept it. I agree that there are many points which have yet to be cleared up, areas of doubt which affect many people throughout the country. I had occasion to take up one such point with the Minister of Finance last week when I happened to see him. It concerned the situation which automobile salesmen will face; income will, in fact, be imputed to them, and this is likely to give rise to real difficulties for them. The Minister of Finance acknowledged that this was so and told me he would have something to say about this aspect later on, when he would try to deal with the difficulties which had been foreseen. Nevertheless, the basic issues involved in this legislation are clear and they can be understood by the Canadian people. Those who assert that no one understands the bill, or can possibly understand the bill, are doing a disservice to the people of this country and are not helping to bring about any form of equitable tax system.

Some hon. Members: Hear, hear!

Mr. Burton: Again, I acknowledge the validity of some of the arguments which were put forward by members of the official opposition. I appreciate the stand taken by a number of Conservative members with regard to the proposal to tax co-operatives and credit unions. It is true there is some confusion when it comes to ascertaining just where the Conservative party stands on this subject, particularly having regard to the remarks made last September by the hon. member for Edmonton West (Mr. Lambert). But there were other members of the Conservative party who made comments during the debate which were very much in conflict with those expressed by the official spokesman for their party.

Then again, in dealing with some of the farm issues which arose during consideration of the bill, members of the Conservative party put forward valid arguments. A number of technical points were put forward for consideration and the arguments used with respect to them were often well-founded. In any case, they were justified in raising them. But I should like to ask this question: where was the main thrust of the Tory party's attack? I think it is quite clear the Tory party did not like the idea of a capital gains tax. If I am wrong, let us hear them say so. They did not want the concessions to the corporations or to the mining industry, or to the resource industry generally, or to the oil and gas companies, to be changed. If anything, they wished to see even greater concessions made in this direction than are made at the present time.

They did agree, however, with one proposal in the bill when they left no doubt as to their support of the provision to repeal the Estate Tax Act. All this indicates opposition to anything which might bring about a redistribution of wealth in Canada, or affect the centres from which economic power is exercised and controlled. As I said earlier, some of the technical points raised by members of the Official Opposition were valid enough, but a good many were of concern only to corporations and those in receipt of high incomes.

By its stand in the House of Commons, the Tory party demonstrated that it stood firmly against any change which would bring about a redistribution of income and wealth resulting in any meaningful shift in the exercise of economic power. I should like to make clear some of the New Democratic Party's basic objections to this bill. I should like to enumerate eight basic objections to the bill before the House at the third reading stage.

• (2:50 p.m.)

First, we object to the continuation of the special privileges given to corporations. A general look at the picture reveals that a lot of tinkering and agonizing was done about setting up a system based on the principle of integration, but now we are left with the same old dividend tax credit which has been increased from 20 per cent to 33 per cent. True, there have been some adjustments and changes made and perhaps the difference is not as wide as it may seem, but no basic change has been made in the method by which the government treats the corporations of this country. The special privileges these corporations have enjoyed for a long time are untouched. Similarly, we see that the capital cost allowance structure is left much as it is at the present time.

The second basic objection that we have has to do with the special concessions for the mining industry and for some of the resource industries, such as oil, gas and so on. We feel that these proposals are iniquitous, that they have the effect of distorting the economy and result in the type of development of Canada's economy that is not in the best interests of the nation as a whole. We suggest that they have the effect of helping foreign corporations who already have a high degree of control over the Canadian economy. We suggest that a continuation of this policy brings with it a greater level of unemployment for Canadians, and that it is contrary to the claim made in support of this type of concession in the past that it helps to create jobs for Canadians. If a different emphasis were placed on Canada's development, I suggest we would find a happier economic situation than we have today.

We also have to keep in mind that one of the principles contained in the Carter report was the establishment of a neutral tax system. The report opted for the principle of neutrality. That was thoroughly in keeping with a classical capitalist concept, that the tax system should be structured in such a way that in itself, and by itself, it did not influence the course of economic affairs. It is clear that the government has not opted for this principle of neutrality since it has continued the special concessions for the mining and resource industries. Once having made the decision not to stay with the principle of neutrality, the question was the extent to which we were going to weight the tax system. I suggest the evidence is clear that the decision the government has made to continue the special concessions for mining industries is a decision that is not in the best interests of Canada and will result in unemployment, misery and hardship for many thousands of Canadians.

The third basic objection that we have to this legislation is that it eliminates the taxation of inherited wealth. We are thoroughly in opposition to this principle. We feel it is absolutely essential, if we are to have any sort of just society at all, to tax inherited wealth. We also feel that this is an area that can best be handled and dealt with by the federal government rather than the provinces. The question remains as to just how inherited wealth is taxed and what sort of system should be set up. This question is a debatable one. We have to deal with conflicts that may arise with other elements of the tax system, and deal with these conflicts on their merits. But we feel on principle there must be some form of taxation of inherited wealth, and on this the New Democratic Party takes a firm stand. We feel the government of Canada, and all those who support them including members of the official opposition, are doing a disservice to the Canadian people by repealing the Estate Tax Act.

Four, we feel the provisions brought forward by the government to tax capital gains are inadequate. This was an area where the gap in our tax system was just too glaring to be overlooked. The government simply could not bypass it, so they threw in a half capital gains tax. I suggest this will still distort the economy since it allows for profit taking through capital gains.

Five, I suggest that the tax system proposed by Bill C-259 discriminates against working people in Canada. I cite two examples. First of all, there is the limiting of employment expenses to $150, while at the same time many other people have no limit on expenses. It is a case of no holds barred for businessmen and corporations when it comes to claiming expenses associated with their employment and with earning a living. But as far as the workers are concerned, those on a wage are held to a limit of $150. Similarly with child care expenses. Here again a limitation is placed upon expenses which I suggest will work a hardship, even though some improvement in the situation has been made by the government.

The sixth objection that we have to the tax system is that it discriminates against the lower income groups. It is true there has been some increase in the basic exemptions, but I suggest the changes are minimal. They are the very least that the government can get away with. These are the crumbs that the government has thrown to the people of Canada to make them forget the gigantic concessions that are given to other sectors of the Canadian economy.

The proposed tax exemptions will be of greater benefit to people in the upper income brackets than to those who are near the basic exemption level. This is why this party proposed a tax credits system to replace the present exemptions. It is true that the starting point of such a tax system can be set at any point and bring about the same result, but I suggest that a tax credits system would have brought about more flexibility and made it possible to introduce changes in the future that would be more equitable and of more assistance to the great bulk of the Canadian population. We also object to the top limits that are placed on the rate schedule and to the fact that it starts off at too high a rate for those people in the lower income brackets. We feel that this part of the bill is also unacceptable and, of course, we moved some amendments in this particular regard during the committee stage.

Seven, we feel there are a variety of special concessions in the bill that are given injustifiably to various sectors of the Canadian economy. In particular, there are the provisions dealing with advertising. No limit is placed on the deduction of advertising and other selling costs in carrying on a business. This is a concession of particular value to the large business interests of this country and gives them a greater advantage than small businesses. I feel this concession is unjustified and adds to the cost of living and of doing business in Canada.

Mr. Lewis: It also distorts values.

• (3:00 p.m.)

Mr. Burton: It distorts values, as my leader quite correctly says. In addition to that I point to the fact that while there is a provision in the bill which has the effect of restricting the deductibility of advertising expenses in periodicals to Canadian magazines and publications, there is a special exemption for *Time* magazine and *Reader's Digest* which certainly are not Canadian. This is a special exemption to two powerful interest groups, and we feel it is thoroughly unjustified.

Eighth, I suggest that the bill discriminates against farmers. This matter has been dealt with at some length in the committee. The government proposes to do away with the basic herd concept, and we feel this is not justified. We recognize that there are some problems in dealing with the basic herd concept and that changes are needed, but to do away with the concept which enables a farmer to take a portion of his cattle herd into his capital assets, without providing some substitute, is not justified. As I say, it discriminates against farmers. It shows lack of understanding by the government of what farming is all about.

There is a similar problem with respect to capital gains tax as it affects farmers. Special recognition is needed of the way in which such a tax will affect farmers. There must be recognition of the special requirements of farming and agriculture. There are many aspects of this subject that I could go into at length, but I will deal with just one small element. The fact that a farmer contributes his unpaid labour toward the capital improvements he makes on his farm presents the situation in which he does not receive any compensation for that unpaid labour until he sells his assets. This presents a special situation that needs to be taken into account.

Because the bill fails to correct the basic inadequacies and deficiencies of the tax system, we in the NDP intend to oppose it on third reading unless some of the motions for referral back to committee which may be moved during the course of this debate result in overcoming the problems that I have outlined. But on the basis of the attitude taken by the government I do not see this happening before the conclusion of debate on third reading.

Earlier today an amendment was moved by the hon. member for Edmonton West (Mr. Lambert) which was the subject of procedural discussion and which has now been ruled in order. It deals with two basic problems in the bill concerning farmers, first the problem of the basic herd and, second, the problem of capital gains on farmland. As

I indicated, we are sympathetic to the proposal to make changes in the bill which take into account the problems which farmers will face as a consequence of the legislation. But there is one aspect of the amendment as proposed, concerning the way in which capital gains on farmlands will work, that gives us concern. Our concern is about the part of the amendment which reads:

—to permit land, together with any other capital property, which is used by a person in a farming activity to be transferred by him, either during his lifetime or on his death, without being subject to capital gains treatment under the deemed realization provisions of the bill where the transferee uses such land and property to continue farming within the meaning of this act.

We feel this still leaves the problem which was suggested during committee consideration, in that it may lend itself to greater speculation by non-farmers or by people who really do not make the major portion of their living from farming. It may lend itself to greater speculative activity in farming, and the door is still open for corporations which are not bona fide farmers to engage in farming activities and to take advantage of this provision. Thus, we would like to move an amendment to the amendment which would have the effect of making clear just what persons we are referring to who could take advantage of the proposal put forward by the official opposition. Therefore, I move, seconded by the hon. member for Battleford-Kindersley (Mr. Thomson):

That the amendment be amended by deleting the words "in a" where they appear between the word "person" and the words "farming activity" and by substituting therefor the following words:

"who is a bona fide farmer and whose principal source of income is from"

The latter part of the amendment would then read as follows:

—and to permit land, together with any other capital property, which is used by a person who is a bona fide farmer and whose principal source of income is from farming activity to be transferred by him, either during his lifetime or on his death—

We feel this is essential if the amendment is to be adequate. In conclusion, Mr. Speaker, I reiterate that while we in the NDP feel there has been some tidying up of various provisions in the legislation and there are some things with which we can agree, or at least feel are steps in the right direction, in terms of the basic issues involved—and I have enumerated eight basic questions—we feel that the government's response to the need for tax reform has been totally inadequate and in many cases totally absent. For these reasons we cannot support the bill on third reading.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker—

Mr. Speaker: Order. Would the hon. member for Shefford please contain his impatience. We are as anxious to hear him as he is to speak, but we must now consider the amendment moved by the hon. member for Regina East (Mr. Burton).

[*English*]

The amendment appears to be in order and can be put to the House. It is moved by the hon. member for Regina East (Mr. Burton), seconded by the hon. member for Battleford-Kindersley (Mr. Thomson):

[Mr. Burton.]

That the amendment be amended by deleting the words "in a" where they appear between the word "person" and the words "farming activity" and by substituting therefor the following words:

"who is a bona fide farmer and whose principal source of income is from"

The main amendment, and I will not read it completely, would then read:

—which is used by a person who is a bona fide farmer and whose principal source of income is from farming activity to be transferred by him, either during his lifetime or on his death—

[*Translation*]

Mr. Rondeau: Mr. Speaker, we are at the third reading stage of this important bill on which I had the opportunity to express our views in this House.

Two years ago at least we had been given the white paper. Now that the second reading motion and amendments have been bulldozed through, we begin the last stage of this important bill.

Some people like the bill, some don't. It pleases the people who claim to be socialists and take more away from the individual in order to give the proceeds of taxes to the state. That is why we can realize that there are members who, like the previous speaker, think that this bill does not go far enough in certain fields, and should push socialism even more. In that respect, he is not far from the ruling party which is identifying itself more and more with the socialist philosophy.

This bill is a disappointment to Canadians as a whole, to people with initiative, to those who believe in private enterprise, that is the builders, the labourers, the large number of Canadian citizens who have developed their country.

This bill brings about general disappointment, and we are most unhappy that it will drastically change the economic structure of our country.

As some people have already mentioned, in particular the hon. member who had the floor before me, this bill would redistribute income among our citizens, that is tax those who still have income, in order to let the state have it and dispose of it according to legislation it might introduce.

We of the Social Credit party, are not in favour of the redistribution of income, and this on principle, for we do not believe that social injustice or economic problems can be solved through redistribution of income in Canada. We recommend distribution of overproduction resulting through increased purchasing power. Therefore the Social Credit party proposes a set of principles to redistribute wealth, but without taking anything away from those who have money.

• (3:10 p.m.)

This bill sanctions the principle which the Prime Minister of Canada (Mr. Trudeau) put forward some ten years ago, when he declared himself totally in favour of socialist measures. For instance, when he wrote in *Cité Libre* that more should be taken from the individual in the form of taxation it was a recognition of the individual's right to own property since he must pay taxes to the state. And if communist members happened to be in the House today,

how would they vote? Would they be for or against this bill?

We just have to consider their principles or refer to countries which experienced them or which are still living under a communist regime. We just have to go through Karl Marx's manifesto to find that the first two foes which must be destroyed before setting up a communist system are capital and profit.

Now, which two elements are most affected by Bill C-259? Capital and profit. By all means available to them the designers of this socialist project that—is Bill C-259—have directed their attacks against income and capital.

Doubtless if communists members could vote here they would forthwith vote with the government because this principle is 100 per cent in line with the principle of elimination of capital and profit.

This is why we feel confused when this government is trying to make us believe that this will spell relief for some 700,000 taxpayers who can no longer afford paying taxes. However, under this bill a single person earning $3,900 per year will have to pay even more taxes than before.

In fact, the bill is quite in agreement with Karl Marx's doctrine and with the socialist principles which tend to destroy capital, initiative and profit.

I understand that some Liberal members who might still believe in free enterprise but who actually aim at its destruction by legislation might find it unpleasant to be part of a steamrolling process to implement such a socialist measure.

Mr. Speaker, middle class income earners will have to pay more taxes. Small corporations will also be affected together with professionals who will be taxed in future, not on the actual amount of fees received, but on income, that is on accounts receivable. They would have to pay taxes therefore on amounts not yet received. The young professional will certainly be affected, having run into debts to open his practice, and at the same time paying taxes on outstanding income.

Entertainment expenses will not be deductible as such. I know there were abuses in this area. Large companies had luxury yachts and residences in the south. Cutting down those expenses in such a drastic way and restricting the use of credit cards and contributions to social clubs and so on will do considerable harm to the Canadian industry.

A lot has been said against the taxpayer being forced to keep a complete file on all his assets. On valuation day the taxpayer will have to figure out the market value of all property valued at more than $500, and this includes cars, houses, cottages, boats, investments. Everything will have to be there. If he makes a profit on a sale, he will be taxed on the gains realized. A new valuation of his assets will have to be done every five years.

Of course this would mean a lot more work for chartered accountants. But I shall come back to this a little later. From now on, chartered accountants will no longer be specialists or management consultants but public servants who will have to spend their time fighting with other public servants here in Ottawa to have their clients' records accepted.

Under the new valuation, capital gains on investments which still appear on the balance sheet, that is on assets which have not been sold, will be taxable. Perhaps shares will have to be sold to pay that tax and thus majority stockholders of businesses might stand to loose control.

The capital gains tax is contested in many circles and for many reasons. Some people do not accept the principle. Others denounce the fact that the benefits on the sale of assets is taxed at 50 per cent in some cases and at 25 per cent in others. They say this is discrimination. This capital gains tax would yield additional revenues of approximately $450 million for the state. Once capital gains are taxed in Canada, we will see the economic growth of the country decrease by as much.

One of the recommendations of the bill now become law is also very unfair. I am speaking of the provision whereby the taxpayer must pay tax on non-realized capital gains and whereby shareholders must sell their shares at a loss and often lose control over their business.

Small businesses, and there are many of in Canada, will see their taxes go up. Indeed, the progressive cancellation of the preferential tax on the $35,000 profit will harm countless small enterprises in Canada. That new burden will be heavy and will also harm the self-financing of private enterprise and companies.

The amendment moved by the official opposition is also aimed at reducing taxes on capital gains on cattle, on farmers' basic herd and I quote:

—as to continue recognition of a farmer's basic herd as a capital asset and to permit land, together with any other capital property, which is used by a person in a farming activity to be transferred by him, either during his lifetime or on his death, without being subject to capital gain treatment—

Mr. Speaker, we know very well that quite often the basic herds are built up through the assistance of the wife and sons who work without pay and who are the main factors of the increased value of the basic herd. However, the government will automatically tax their assessment of the herd or the capital gain before the wife or sons are paid for their services.

This is why we entirely approve the amendment presented by the Progressive Conservative Party and we regret that the government has not taken into account, in this case as in others, the representations coming from all sources. If there is a bill in Canada which has given rise to dissatisfaction and protests, it is the one now under consideration. However, the government did not accept those recommendations.

On November 1, 1971, the Canadian Cattlemen's Association made a submission to the government echoing the ideas set forth in the amendment proposed by the official opposition. And on page 10 of that submission, we can see why the Canadian Cattlemen's Association made those recommendations:

• (3:20 p.m.)

[*English*]

The Breeding Herd as a Capital Asset.

A matter of particular concern is the proposal to phase out the basic herd provision and to no longer recognize a breeding herd as a capital asset. We believe this to be a most serious error but one that is understandable on the basis that the basic herd provisions

have not heretofore been codified in the statutes. We believe that the tax authorities have erroneously assumed that the basic herd provision has been nothing more than an arbitrary concession to farmers, a concession that they believe is timely now to discontinue. We most emphatically disagree.

It is evident that the purpose of the basic herd has either been misunderstood or not understood at all; for the stated justification for phasing out the provision on the basis that the introduction of a capital gains tax reduces the need for the basic herd provision is invalid and misses the main point and purpose for which the basic herd provision was originally established.

[*Translation*]

Mr. Speaker, if only the government had taken care to read the recommendations which have been made by people concerned! But no, it seems that they did not listen to anyone, at least judging from the content of the amendments which have been introduced. They showed little regard for the recommendations which have been coming from all sides. And we could even see that the bill was reprinted before the debate on the motion for third reading. This is an unspeakable insult to democracy and to the Canadian Parliament.

This morning, the Minister of Finance (Mr. Benson) seemed to imply that no member of the opposition had either understodd the bill or considered it. Perhaps several persons did not understand the bill, including certain members on the government side.

In my view, those who are in a better position than any others to understand the proposal and study it are those who, in the future, will have the largest number of income tax returns to fill or of balance sheets to prepare, that is the chartered accountants.

For the benefit of my colleagues, I shall read the editorial of the November issue of the journal published by the Canadian Institute of Chartered Accountants. The hon. member for Laurier (Mr. Leblanc) told us yesterday that we had not understood the bill at all.

Mr. Leblanc (Laurier): That is true.

Mr. Rondeau: He is a chartered accountant.

Mr. Leblanc (Laurier): It is true, you have not understood anything.

Mr. Rondeau: The hon. member for Outremont (Mr. Noël) said that we had not understood anything about the bill. I would suggest to him that he repeat that to his colleagues. They are the ones who should be more familiar with taxation and legislation. Now, according to the Liberals, they have not understood the bill. It seems the Liberals are the only ones to be blessed with the Holy Ghost's inspiration permitting them to understand taxation.

The editorial in the journal of the Canadian Institute of Chartered Accountants reads as follows:

ON THE BRINK OF FISCAL DISASTER

If the government intended to take taxpayers by surprise they seem to have succeeded. Our participation in the CICA course on tax reform has left us flabbergasted. Let us say first that the course was very well introduced: excellent lecturers who were quite sharp and often witty; showing of graphs and unremitting attention on the part of the participants. On the whole, those responsible for organizing the course on such short notice (they sometimes had to work around the clock) did an excellent job. But the meanders of the legislation make one get vestige—

Mr. Leblanc (Laurier): —vertigo.

Mr. Rondeau: —vertigo. The hon. member for Laurier does not know what "vertigo" means but in the future his company will learn about fiscal "vestige", and I quote:

Even if it has often been said, it should be recalled that first impressions of relative simplicity have been replaced by incredulity as experts dig more deeply into the legislation. Moreover, complexity is not so much in connection with large corporations or international matters, aspects the public traditionnally links with complexity. For instance, the provisions of the bill relating to small businesses are strewn with snares. Chartered accountants who serve small businessmen, like those who serve the more important ones, must absorb in record time a mass of information, at least if present plans are to become effective on the scheduled date.

We can be sure that with this government, these plans will "become effective on the scheduled date", with a steamroller. I continue the quotation:

It might very well be that the computing and the special forms, once they are well understood—

This is pure speculation—

—will be easily established, but the real difficulty is to plan one's own business in terms of the laws that will be promulgated, and to understand in depth the fiscal incidence of all eventualities before the letter.

If all chartered accountants engaged in supplying tax advice, whether employed by industry or practicing their profession within a chartered accountant's firm, should drop everything and dedicate themselves entirely to a depth study of the new legislation and accompanying regulations, it is a moot point whether that would be enough to supply all taxpayers with prior advice.

And the hon. member for Laurier seeks to convince us that he is smarter than all the members of the Chartered Accountants Association who state that even on a full-time basis they are unable to supply prior advice.

It has long been an established legal fact (with the exception of the Department of National Revenue as concerns the difference between tax evasion and tax avoidance) that taxpayers are entitled to organize their own affairs in such a way as to reduce their fiscal load to a minimum. The revenue officials should respect that principle all the more as between June 18 and December 31, 1971 there is not enough time to assimilate—

The hon. member for Laurier is more clever than that; he is more clever than all the chartered accountants of Canada.

—the legislation and to take appropriate measures.

—I would rather trust the Chartered Accountants Association than a single accountant who has to follow the steam-roller.

Mr. Leblanc (Laurier): I am a chartered accountant!

The time limit is even more hindering if one considers the technical changes which have been made. If the tax reform is introduced in good faith—and we are prepared to believe it is—proclamation of the act should be deferred until people have had time to grasp the meaning of it and to act accordingly.

Chartered accountants suggest that passage of the bill be deferred in order to give people time to grasp the meaning of it and to "act accordingly". But the government is not interested in grasping the meaning of it. In fact, all they are interested in is getting into the taxpayers' pockets, and this cannot wait.

There are many people who maintain that such delay would have farm more serious consequences for the country than are likely to affect those who are not ready for this change. If this is the government's view, then a moratorium should be applied on the strict implementation of rules in order to give everybody a chance to become familiar with them. Parliament should demand that the Department of National Revenue be lenient for, say, a year, especially as regards implementation of punitive measures. Even if this suggestion raises the bogeyman of the minister's discretionary power, there is no doubt that equity demands that account be taken of the circumstances in which people whose affairs cannot be arranged before the act comes into force find themselves.

And the last paragraph is quite important, Mr. Speaker. It reads as follows:

Without wanting to be cynical, let us suggest in concluding that all members of Parliament should take the CICA's course on tax reform before passing the tax reform bill.

Mr. Speaker, that was the subject of the editirial published by the Canadian Institute of Chartered Accountants in November 1971 and this is why, with all these protests and recommendations from experts, it would have been wise for the government not to be in such a hurry to pick our pockets and to make a mess of our fiscal and economic system.

• (3:30 p.m.)

[*English*]

Mr. Ross Whicher (Bruce): Mr. Speaker, I have listened with a great deal of attention to the speeches today. I think many members have given us food for thought and have presented the views of their parties on this bill in a very emphatic way. I should particularly like to compliment the hon. member for Regina East (Mr. Burton), who unfortunately is not in the House at the moment. I think he made an excellent case for his party, one with which I do not agree but nevertheless he did it well. However, he ended by saying that he and his party could not agree with and would not support the bill now before us. I wish to direct my remarks to this point because in my opinion Canada cannot benefit if many of the aims of the bill are eliminated.

It is an undeniable fact, Mr. Speaker, that since confederation Canada has had in power more Liberal governments than governments of any other party, and the reason is simply that they have brought the greatest good to the greatest number of people.

Some hon. Members: Hear, hear!

Mr. Whicher: With respect, I suggest to the hon. member for Regina East and to members of other parties who say they will not vote for this bill that they are denying the people of Canada something that perhaps should have been given to them many years ago but for the first time in history is being given to them by this government which was elected 3½ years ago.

The hon. member for Regina East had eight or nine objections to the bill and gave them as reasons why his party will not support it. He did not give one reason why they should support it, and I suggest that there are many. He says that this bill is against Canada and against the Canadian taxpayer. In all sincerity I ask him and hon. members to my immediate left, what about the 750,000 people who, for the first time in history, next year will not have to submit a tax form to the Department of National Revenue? Is this discrimination against them?

Mr. Danforth: They will be back on.

Mr. Whicher: My friend says that they will be back on. They will only be back on if Canada has the misfortune to allow the people to my left to form the next government. As things stand at the moment they will not be back on, Mr. Speaker. The government has said that every old age pensioner in Canada with means in excess of $80 a month will from now on not have to file an income tax return. There are 1,700,000 old age pensioners in Canada and over one million have benefits in addition to the $80 a month. Neither they nor, where it applies, their wives will have to file an income tax return, starting next year. I suggest this benefits not only the old age pensioner but the whole of Canada.

My hon. friend from Regina East and members of the Créditiste and Conservative parties have forgotten about these people. They have also forgotten about small business. My friends in the Conservative Party day after day cry, "What is going to happen to people who in the past have made $35,000 a year?" Because they are incorporated they are now paying tax of 21 per cent and, according to the white paper, will in future be in the same category as International Nickel, the Royal Bank of Canada and Canadian Pacific Railway. They cried and said, "You terrible people are going to tax the little man in the shoe store, the little dairy operator, the little incorporated farmer, the same as Canadian Pacific Railway, if he happens to have made $35,000 in a year." This is what happened, Mr. Speaker. Not only did the Minister of Finance (Mr. Benson) in his wisdom make changes to proposals contained in the white paper on tax reform; he gave the incorporated, small businessmen a fair deal and changed the amount from $35,000 to $50,000.

• (3:40 p.m.)

An hon. Member: After a million letters of protest.

Mr. Whicher: The Leader of the Opposition (Mr. Stanfield) went across this country from Newfoundland to Victoria and said it is simply not fair for small businesses to pay tax at 50 cents on the dollar which the big corporations in Canada pay. The fact is that they will not pay the same rate of tax as the big corporations. They will not begin paying those rates at $36,000. The profit figure has been increased to $50,000. If my friends to the left are fair they will admit to the people of Canada, as will some of our newspaper friends who in my opinion have sold a very dismal picture to Canadians, that there are many good points in this bill. Our newspaper friends in particular seem to have forgotten the good points; they have tried to sell points that may be bad.

The fact is, and perhaps I am exaggerating slightly, that old age pensioners who get an allowance on top of their $80 will not have to pay tax under the provisions of this bill. Small corporations or family corporations which formerly paid the full rate of tax after reaching the $35,000 level of profit will not pay that tax until they have reached $50,000 net profit each and every year.

My hon. friend from Regina East spoke of too little in the way of allowances being given to parents. Perhaps the

government has not been as generous as it should be in this area. As I remember, if the wife is working and the family must pay for a baby sitter or child care, the allowance available will be $500 per child, up to a maximum of $2,000 per family. We know that this is not enough. I ask, how much was it in the Diefenbaker years? It was not one five-cent piece. To be fair, let me ask, what was it in the Pearson years? The allowance was not one five-cent piece. How much will it be in the Trudeau years? The allowance will be $500 per child, for a maximum of $2,000 per family. This situation is a lot better than it was. My friends are not fair when they suggest that these are simply a few peanuts being rolled across the table for the good of the people of Canada. These peanuts spell dollars and cents and the parents of Canada will appreciate them.

My hon. friend also suggested that we are not doing enough for the workmen of Canada. Let me remind him that they are entitled to deduct $150 per year to help pay for clothing and other expenses connected with work. My hon. friend mentioned the aged. I agree that they are not being paid enough. They were not getting enough money 25 years ago when the old age pensioners of Canada received only $40 a month. That was not enough, although it was given to them by a Liberal government. I submit, however, that we have done a reasonable job in bringing up the level from $40 to $167.50 a month, I think it is, for single people in certain cases and to $260 a month for a married couple. We have come a long way in this area and we have come a long way in granting deductions to people who work in factories and elsewhere. But this is only a beginning.

Some hon. Members: Hear, hear!

Mr. Whicher: I ask you, Mr. Speaker, who started it?

Some hon. Members: We did.

Mr. Whicher: The Minister of Finance started it, with the Prime Minister (Mr. Trudeau). In this way we are just beginning to implement what the Prime Minister has described as the just society.

Some hon. Members: Hear, hear!

Mr. Whicher: I heard the hon. member for Regina East, to whom I have already referred and who tried to present his opinions in a realistic fashion, kick about the fact that capital gains will not be taxed at the same rate as income. He suggested that anyone earning $5,000 through a capital gain should be taxed in the same way as the man who makes $5,000 from his work. There are many who will agree with him. If a person makes money on the stock market, that is money he gets. There is no difference between that money and the money he gets through working as a plumber, electrician, farmer, politician or what-have-you. However, the fact is that this time last year not one nickel by way of capital gains tax was being charged against anybody in Canada, not even against people who might have made half a million dollars on the stock market. I therefore say that this is a step in the right direction. We took the first step; it was not taken by any previous government.

Some hon. Members: Hear, hear!

Mr. Whicher: My hon. friend from Regina East, who unfortunately is not here now—he was kind enough to tell me that he had to leave and I appreciate his telling me—criticized the government because, as he alleges, under this legislation we have been giving special privileges to corporations and are taxing the little people too much. Let me set him straight. In Canada there are many people who do not pay any tax. As a result of this bill—and this cannot be denied—three-quarters of a million extra people will not pay taxes. So you cannot tell me that we are not giving consideration to little people.

Let us look at the situation for a minute. As a free enterpriser I am sick and tired of hearing people blaming the corporations for this and that. They only blame the corporations because corporations do not have a vote. Only people can vote. On the other hand, corporations make a great deal of money in Canada and elsewhere in the world. They pay great amounts of tax. This is one thing I want to impress on all members of the House: corporations in Canada pay more taxes than corporations in any other country. Therefore, it is simply not fair when my NDP friends suggest that we have given special privileges and concessions to corporations in Canada. They pay tax of 52 cents on every dollar, Mr. Speaker.

Although my friends to the left may talk about the banking interests and the interests of companies like International Nickel, Canadian Pacific Railway and other multinational corporations in Canada, I remind them that 52 cents of every dollar they make goes either to the department of revenue in the province of Ontario or to the Department of National Revenue in Ottawa. I think that for once someone should stand up and say that corporations are paying their way in Canada, more so than in the United States and even more so than they did under the former socialist government in England. When that government was in power a few years ago, the corporate tax was 35 per cent. In England they paid 35 cents on every dollar earned, whereas in Canada they pay 52 cents. Certainly that is so in Ontario.

My hon. friends complained about concessions to the mining industry. I am not a professional in the fields of mining, gas and oil and there is much about these industries that I do not know. However, I do know one thing. Even if a mine employs only a few people, it is better for the economy of Canada if that mine is open rather than closed. I suggest that many mines, oil wells and gas wells are operating in Canada as a result of sensible concessions given to them which enable them to employ Canadian labour. Their workers eat Canadian wheat, pay Canadian taxes and enjoy the Canadian way of life.

• (3:50 p.m.)

The hon. member said other things. For example, he is against taxing inherited wealth. I admit this caused me some concern. On the other hand, in the past few years many Canadians have left this country because of our succession duties and estate taxes. I am worried about firms such as the T. Eaton Company. In my opinion this firm belongs to a great Canadian family. They have done a wonderful job in Canada and have made a great deal of money. Their great financial resources are primarily in stores situated right across Canada. They employ more

Canadian labour than any other company with the exception of the Canadian Pacific Railway Company.

What would happen if the head of this great corporation should die? What would happen if they were stuck with even a 25 per cent succession duty? Obviously, the Department of National Revenue would not take the goods in the T. Eaton stores. They would demand hard cash. How would they get this cash? I suggest that after you reach a certain peak that cash has to come by selling-out. How do you sell-out, Mr. Speaker? We talked about this yesterday. In many instances you have to sell to American interests in order to pay inheritance taxes. For this reason I am very pleased that we have taken at least one step to eliminate this huge tax. It is not just Eaton's who will not in future pay inheritance taxes on succession duties. The Canadian farmer will not have to pay any estate tax. This is one of the examples my friends to the left have given us for the past two years when talking about farmers, family farms, and so on.

How can a father leave a family farm to a son when he has to pay succession duties and so on? He will now have to pay a capital gains tax. I suggest hon. members to my left do not fully appreciate the feeling of free enterprise in the Canadian agricultural industry. They are quite willing to pay a capital gains tax. You do not pay unless you are going to make money. Every hon. member to my left would be glad to pay $25,000 in capital gains tax tomorrow morning because they would know perfectly well that if they were paying $25,000 they would be making $100,000. What kind of nonsense is it when they say they are against all taxes such as this? This type of tax is imposed in every western country. The farmers of western Canada will accept their responsibility, the same as everybody else.

I could go on about these things, but I remind hon. members to my left that when they vote against this bill, as they undoubtedly will, they will be voting against increased exemptions. Every member to my left has said, if not in this House then in letters to constituents, that the exemptions are not high enough and the Liberal government has only paltry feelings for the poor of this country when it raises the exemption from $1,000 to $1,500. I say to them that $1,500 is a lot better than $1,000 or $1,200. This government has taken the initiative to bring this about.

When these members vote against the bill they will be voting against increased exemptions and a capital gains tax that is in every other western country. In my opinion it should have been introduced in this country many years ago. Ninety-eight per cent of the people are for a capital gains tax. When my friends to the left vote against it they will be insulting the intelligence of almost every Canadian. When members vote against this bill they will be voting against exemptions for parents. This should have taken place many years ago. It is being started by the government and is embodied in this bill. It deserves our support. Members who vote against the bill will be voting against exemptions for workers, plumbers, electricians, members of the United Automobile Workers, thousands of workers for the New Democratic Party, farmers, clergymen, teachers and, in fact, everyone else. These people are to be allowed only $150 a year but it is much better than nothing.

In conclusion, I emphasize the fact that we started the old age pension at $40 a month. This was started by a Liberal government. I agree that $40 a month was not enough and neither is $137.50 for a single person and $260 for a married couple. Over the years we have increased these benefits and in the future we will increase them. I urge all hon. members to forget about their party loyalty in this regard and, for once, vote for the people of Canada.

Some hon. Members: Hear, hear!

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

PRIVATE MEMBERS' PUBLIC BILLS

ENVIRONMENTAL AFFAIRS

MEASURE TO ESTABLISH ENVIRONMENTAL CONTROL COUNCIL OF CANADA

Mr. Tom H. Goode (Burnaby-Richmond-Delta) moved that Bill C-49, respecting environmental control, be read the second time and referred to the Special Committee on Environmental Pollution.

He said: Mr. Speaker, in October we observed Canadian Environment Week for the first time. Scarcely more than one year ago it was just a dream of many active and aware citizens of Burnaby-Richmond-Delta who saw the potential of such a week and the impact which could be created by focusing the environmental concerns of the total population of this country within a specific timeframe. That dream became a reality on March 30 of this year when Bill C-25 received royal assent. The credit for the passage of Bill C-25 lies not with me but with all the members of this House and of the Senate.

Last March, Mr. Speaker, when we passed Bill C-25, we gave the lie to the detractors of this chamber who claim that we are always putting petty, partisan disagreements ahead of the needs of this country. I reject such charges, Mr. Speaker, for in the consideration of Bill C-25 the House of Commons put aside party labels, put aside personal differences in a spirit of co-operation which demonstrated clearly that the struggle against pollution is one of the priority concerns of members from every corner of this House. In that same spirit of co-operation, and as part of that same anti-pollution struggle, I ask the House to give favourable consideration to the bill before us this afternoon.

• (4:00 p.m.)

Bill C-49 seeks to establish an Environmental Control Council of Canada which would have the responsibility of recommending minimum anti-pollution standards and generally advising on the methods and means of improving Canada's environment. Hon. members will note that this bill closely resembles the Economic Council of

Canada Act which was passed in 1963. This resemblance is intentional. I feel that there is need for an independent council to provide the kind of advice in environmental terms that the Economic Council does in economic terms. The environmental council, like the Economic Council, would be non-governmental in nature. The latest annual report of the Economic Council of Canada contains a section describing the origin of the council. Within it is the following statement:

—there was also a growing awareness that efforts to deal with these problems on an ad hoc basis, with attention focussed mainly on short-term considerations, could result in the continuation, recurrence or perhaps even intensification, of some of these problems in the future.

The problems referred to are, of course, economic but I suggest that a similar danger exists today with respect to environmental problems and that the same statement could express the basis for the establishment of an Environmental Control Council of Canada.

As a planning body, the Economic Council has set out an average growth-path for the Canadian economy which it regards as a feasible and desirable target at which to aim. It uses this target growth-path as a means of judging current economic performance. Similarly, the environmental control council would develop long-range plans to improve the quality of the environment. It would advise and recommend to the government minimum standards for air, water and land quality in order, in the words of the bill, "that Canada may enjoy a high and consistent rate of pollution free air, water and land." Among other things, the guidelines and projections of the environmental council would be valuable as benchmarks against which to measure our progress in the war against pollution.

The primary function of the Economic Council is in the field of research. The need for reliable knowledge and intensive study into the area of economics was felt by many persons, in particular senior economic policymakers and administrators. The council has more than adequately supplied this need. Likewise, research into the complex problems of environmental management and control would be a primary role of the environmental control council.

The urgent need for research to discover solutions to our pollution problems cannot be disputed. No restrictions would be placed upon the council's power to initiate whatever research projects it deemed necessary. The environmental council would study how technological change may affect Canada's environment as a whole. It would be in a position to initiate discussions with labour, management and consumers aimed at exploring in depth the consequences of and cures for industrial pollution.

The Economic Council of Canada has become an instrument of public information and instruction. Its annual review, which receives extensive coverage by the mass media, serves to broaden the understanding by Canadians of the greater economic issues facing our country. This is good because it must be recognized that economic policy cannot be far in advance of general public understanding. Thus, the positive role of instructor adopted by the Economic Council has played an important part in raising the level of understanding of those of us who are not economists.

[Mr. Goode.]

In similar manner, Mr. Speaker, the environmental control council, providing accurate, unbiased and therefore credible information on the present and future state of our environment, could be of immense service. As in the realm of economics, before progressive environmental legislation can be enacted we as a people must be fully informed and aware of the situation in order that we may appreciate, accept and support necessary antipollution controls.

In my view there is always a place for independent evaluation of existing governmental policies and practices. An over-all view is necessary because of the natural tendency of those who have been involved in the creation and administration of policy to lose the ability to assess objectively the effectiveness of those policies. They tend to become blind to the need for new departures. The Economic Council has sought to satisfy such a need in the area of economic policy. An environmental council would do the same in the field of ecology. Being independent, the environmental council would be in a position to freely criticize government policy, should this be necessary, and bring new views concerning general or particular policies and programs to the attention of those who must bear the ultimate political responsibility for them.

Indeed, under the terms of this bill the council would be required to seek maximum consultation with both senior levels of government. Too often in the past, technical difficulties over governmental jurisdictions have hindered the implementation of environmental control legislation. It would be my hope that the council would help to replace this tunnel-vision with a bridge of co-operation.

The time has come, Mr. Speaker, to establish an environmental council in Canada. In fact, the time is overdue. Over a year has passed since I introduced this bill. During that time a number of individuals and organizations have called for the establishment of such a council. Among these have been the Conference on Ecology and Responsibility, the Canadian Wildlife Federation and the Science Council of Canada. Unfortunately, the only positive step to date has been the announcement of the pending appointment of an environmental advisory council to brief the Minister of the Environment (Mr. Davis). As the bulletin of the Canadian Wildlife Federation points out, no matter what merits this private advisory council might possess, "it would be no substitute for an independent environmental council studying issues much broader than the responsibilities of any one department of government and reporting publicly on its findings and recommendations."

In recommending to the government the creation of an environmental council, the Science Council of Canada in its report "This land is their land" has this to say:

A major step in planning for the future would be the creation of a non-political organization sponsored by the government which would have, as its basic role, the provision to the public of facts about their environment upon which they may base adequate value judgments. The cost of sacrificing even immediate material welfare for a quality environment may not be high, but if it is, Canadians deserve to have the facts and a chance to make their choice—

An independent Crown corporation, with a directorate representative of environmental interests and a small professional staff, is suggested. A suitable name for such an organization might be an Environmental Council of Canada. It would conduct and pub-

lish studies and forecasts of environmental problems in Canada, and make analytical reviews of environmental questions which are the subject of public interest. It should strive to become a major source of informed opinion on environmental problems.

The council should be a valuable adviser to government. Ideally, it should stimulate particular ministries to an appreciation of the interrelationship between resource uses and the necessity for considering problems in a larger context; it should draw attention to gaps in the support for environmentally-oriented research; it should provide the inspiration and leverage for new kinds of activities in government departments.

• (4:10 p.m.)

I submit, Mr. Speaker, that Bill C-49 fits the description given by the Science Council, that the need for an Environmental Control Council of Canada has been demonstrated and that the time to act is now. Bill C-49 is not perfect. Neither was Bill C-25, yet we were able to hammer out the problems in committee and come up with a bill which was a credit to the people of Canada. We have done it before, we can do it again. Let us send the bill to committee and get to work.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, the hon. member who introduced this bill suggested that at times it is possible for the members of this House to set aside political and partisan considerations and work together. I believe there is one subject on which this is possible, and that is pollution control. I have no hesitation whatever in saying that I give this particular bill my absolute support; the idea behind it is a good one.

One of the reasons I feel bound to support the bill is that I proposed a similar bill some time ago. It did not have the same title. In my bill I referred to the environmental council of Canada, but it is so close to the hon. member's idea that the difference in name is inconsequential. At that time, September of 1970, when I made a report to the spokesman of our party on environmental matters I felt that one of the things that was missing in pollution control structures in Canada was the very type of body the hon. member is proposing in his bill. No one is here to accuse anybody else in regard to who stole whose ideas. Ideas often develop concurrently and I think it is to the credit of all hon. members that they do.

There is no doubt that all hon. members of the House are concerned with environmental pollution and how to meet it. But the structures for doing so has been one of the problems on which we have fallen short in the past. All the ideas that from time to time have been suggested have been handed around from one department to another. We now have a department that concerns itself primarily with environmental matters, a government department that is merely concerned with co-ordination as such. What is missing from this structure at the moment is the establishment of some type of independent body that can come to conclusions, similar to the way the Economic Council of Canada operates. Such a structure, I think, is good and would be very useful in the present set-up.

I have to voice some reservation though, not about the bill but about the way pollution control is carried out. A pollution control council, a governmental body, does not necessarily mean that we will move ahead in this regard. An environmental control council or an environmental council of Canada would help and advise, but we cannot take any pride in setting up another body of government because in some cases governmental bodies can hold us back just as much as they can move us ahead. For example, if there is too much red tape or if there are too many bodies that concern themselves with pollution control, this can hold us back. I do not suggest that this bill would hold us back rather than move us forward. The problem at the moment is that despite the fact that we have had during the last two years several bills dealing with pollution control that have begun to set up structures to meet the problem, we have not yet moved ahead to the point where I feel the government is giving priority to dealing with pollution control over and above the mere setting up of pollution control structures.

We now have a Department of the Environment. We have a Minister of the Environment (Mr. Davis) and we have a deputy minister of the environment. I believe that the minister and the deputy minister, as well as the members of the House, are concerned about environmental control and would not hesitate to use what powers they have. The problem is that no money is being provided. I can think of half a dozen areas where pollution control ideas have been put forward but the money to put them into effect has not been forthcoming. At the moment there is a great need for a broadly expanded system of air pollution monitoring in Canada. There has been a monitoring system set up under the general supervision of the Department of the Environment which has carried on the work formerly done by the Department of National Health and Welfare and by some provincial organizations.

We have an across-Canada structure, but it is still very deficient in scope and falls far short of what we actually need. So do the standards. We have not yet set up sufficient national standards in order to determine whether or not our air is being polluted, in what areas and in what manner. Here at least is one area in which money could be used to good purpose. I asked the Minister of the Environment about this particular problem on at least two occasions and he informed me that there are a couple of additional monitoring stations being built. However, these are merely an attempt to keep pace with the rate at which pollution generally has been increasing.

So while I support entirely the hon. member's proposition that we set up an environmental council, whether it be called an environmental control council or something similar, these structures in themselves do not move us necessarily forward in the field of pollution control; they merely give us the ability to act. In order to carry out that action we need money and the will to take initiative. To illustrate even further the non-partisan or non-political approach that there seems to be to environmental questions, the national meeting of the Progressive Conservative party, held this week in Ottawa, adopted a resolution which is also very close to the provisions in the bill the hon. member has introduced. In a paper entitled "A program for pollution control," under the heading "Government structures" it is stated:

• (4:20 p.m.)

The first requirement of an effective national program of pollution control is complete and accurate information about the extent of the present deterioration of the environment in all parts of Canada. In addition, a comprehensive inventory of the natural resources of Canada is required, and quality standards for each major resource should be established.

Then, after stating the National Research Council has been doing valuable work in this area and setting out what is further required, the paper reads in part:

Associated with the action force should be an Environmental Council of Canada similar in composition and purpose to the Science Council of Canada, to advise the Canadian government and Parliament and the Canadian public about particular environmental matters and to recommend on a continuing basis both specific short-term and long-term measures for pollution abatement. The council should be composed of private citizens and members of groups outside of government, and might involve citizens' anti-pollution groups, the universities, industry, labour and conservation bodies.

This sounds so close to the speech made by the hon. member who has sponsored this bill that I wonder where he got his wording. The proposals are identical, and I am inclined to think that whoever speaks next for the NDP will take a similar approach to the problem. The idea that has been put forward seems to have the unanimous support of the House. That is about all I want to say on the bill, Mr. Speaker.

Still lacking in the government is any appearance of giving pollution control a national priority. I admit that the Department of the Environment has been established. There have been amendments to the Shipping Act which are helpful. The Canada Water Act, which was not worth very much, was enacted and there has been other legislation brought forward. The structures are appearing, but the will to act has not yet come forward.

The government has been absorbed in economic problems. It has been absorbed in the massive tax bill that we are presently discussing. It has been absorbed in so many other things that the Department of the Environment and environmental matters seem to have been neglected. I will not say they are completely ignored because I am sure the Minister of the Environment is sincere in his efforts. Yet to my mind we have not yet seen any exhibition of a feeling that the government is taking the lead. Rather, the government has exhibited a feeling of holding the fort in case of being accused of doing nothing.

We have switched structures around and made different people responsible for different things. We have brought in legislation that appears to be beneficial but we are still dragging our feet on so many things. We passed the Shipping Act months ago but the regulations under it have still not been promulgated. I admit that they pose a problem. At the time it seemed to me, and it still seems to me, that the government rushed the bill through in order to give the appearance of being concerned, without knowing what regulations it would adopt. The implementation of the bill has been ineffective, as a result, and in fact has been found to be impractical in some cases.

I support the idea of a council, if it will help, but I ask that the government give some leadership in its priorities, that it show us that it really means what it says when it utters the same cliches as everybody else, that we have to do something about pollution in Canada. We have not seen this yet. Nevertheless, in spite of the fact that this bill if implemented will add one more structure, it might be a structure that would prod the government in the same manner as the Economic Council of Canada. If it will do that, if it will be one more voice that will keep prodding and prodding for action on pollution control and will keep on presenting ideas, then I certainly support it.

[Mr. Aiken.]

Mr. Ralph Stewart (Cochrane): Mr. Speaker, I welcome the opportunity to rise in this debate on a subject as lofty as pollution control. I commend the hon. member for Burnaby-Richmond-Delta (Mr. Goode) for introducing his bill. The opportunity of speaking on a subject like pollution control is always a welcome one for any of us here because it is like motherhood, everyone is in favour of it, although these days I do not know if the analogy is good because there are so many people who are trying to downgrade even motherhood, what with the doing away of innocent babes in the wombs of mothers, and so on, that is advocated. In the result, I wonder if motherhood is still the lofty thing it used to be. In any event, in the case of pollution certainly it is on everyone's lips and we are all in favour of controlling pollution.

Although I have a great deal of respect and admiration for my colleague, I am afraid I cannot agree with the details of the bill. I think I understand what he is trying to do with it and I commend him for that, but I think that establishing a council for environmental control is not the answer. We are establishing all kinds of councils. We have more bureaucracy than we need in this country, and the more groups we establish, I think the less effective we are likely to be.

As it is now, we have a federal Department of the Environment which has many people working on this problem. We have a department of the environment in each of the provinces. We have the council of resource and environmental ministers which meets periodically and discusses these matters. Therefore there is co-operation and co-ordination among the provinces. Also, we have a number of citizens' groups which have been dealing with the subject.

First, Mr. Speaker, I believe pollution control is not a question of one government or another but must be a co-operative venture among all levels of government, municipal, provincial and federal. Further, I believe that it has to be on a worldwide scale, not only in one country. Therefore I was glad to have the opportunity of assisting at a conference in Bonn a few months ago with the parliamentary secretary to the minister where we discussed the question of pollution.

I wonder if the public, which is very concerned about pollution, is always fully aware of the actual situation. Unfortunately, some things are exaggerated in this regard. Once in a while the imagination of the public is caught up in such a thing as pollution, so we must have great, dramatic stories brought forth. There is no denying that pollution is one of the most important problems in the modern world. However, if we are to analyse the problem properly I do not think we can be emotional about it because emotionalism in this case will cloud the over-all picture.

In my part of the country, northern Ontario, we have seen the question of pollution being overdone. We have had programs on the CBC which discussed pollution in northwestern Ontario, for example, where pulp and paper mills were accused of being dreadful culprits, and chemical plants were polluting rivers and lakes. According to the way it was described, if anyone in northern Ontario were to eat a fish pulled out of a river or lake up there, that person would be sure to die of mercury poisoning.

This is the kind of attitude taken and the kind of feeling left in the minds of viewers.

• (4:30 p.m.)

I wonder whether it really helps when we go to that extreme. Certainly in northern Ontario our whole economy is dependent upon industries such as pulp and paper. The contribution of these companies to the development of the north is tremendous. I believe they have done everything they can to keep up with the times and try to correct the faults which exist in their plants regarding pollution of lakes, rivers and the air. The expansion and modernization of these plants and their efforts to control pollution effectively cost a great deal of money.

In this case I believe there should be help from government if they are to succeed. There are many old mills in northern Ontario, unlike the situation in western Canada. This poses a real problem. I think at this point the federal government has not done a great deal in a tangible way to help the pulp and paper industry generally. In the past few days, if I remember correctly, I read a news report which stated that the federal government will take new measures in order to help the pulp and paper industry. This is very good news, particularly for the people of northern Ontario who are so dependent on this industry. I would support any move that would allow these companies to go ahead and put in the changes necessary to clean up the pollution created in the lakes and in the air.

I believe the forest products industry in Canada is one of the most important of all our industries. It is time the federal government examined this industry and helped it in any way possible. In my constituency there is the Abitibi Paper Company and the Spruce Falls Pulp and Paper Company. These people have spent a great deal of money over the past few years in an effort to put in pollution-abatement equipment. In the past ten years the Abitibi Paper Company has spent nearly $18 million in its pollution-abatement policy. This I believe is significant. When a company spends that kind of money, particularly when the market is the way it is these days, I believe it should expect some help from the government.

One subject of pollution which interests me particularly is that of recycling. I have spent a considerable amount of time examining this question, especially the recycling of garbage. I believe there should be more research by the government in this respect. I think there should be more co-ordination among governments. I notice that in Canadian universities in the past number of years a major study has been made of this subject. Governments of other countries are undertaking similar studies, but there does not seem to be any co-ordination. In other words, there is duplication and triplication of effort. If anything is to be done at the forthcoming meeting at Stockholm in June, it seems to me there should be a desire on the part of the nations of the world to get together in their research so that we do not have the same kind of research going on in various countries.

I think one of the main causes of pollution is the ever-growing amount of refuse, or garbage if you like, both domestic and industrial. Eventually, refuse disposal systems will have to be based on the principle of recycling; that is to say, we will have to imitate nature and re-use everything that we now throw away. On earth we have our own thin envelope of soil, water and air. We have plants and animals and an environment that is constantly being reshaped and renewed by nature. It is an endless cycle of birth, growth, death and decay. It is constantly renewing itself by means of its carbon atoms, its oxygen, its nitrogen and its phosphorous compounds. There is no such thing as waste in this cycle; the natural earthly scheme is a process of self-cleansing.

It is up to man to imitate this cycling nature, but as our numbers grow we thoughtlessly sow the seeds of our own destruction by defiling the world we live in. Advancements in technology are not to blame, but human indifference is; and we seem to continue to ignore the fact that in the end we shall have to pay for our shortsightedness. With careful study and better management we should be able to add to the quality of our environment. We can stop downgrading our resources and instead put the accent on renewability. This will mean taking a broader approach to industrial development, town planning and the use of leisure time.

This business of pollution needs monitoring on a worldwide scale. We need co-ordination among all levels of government in our country, but there also must be co-operation among the nations of the world if we are to succeed. Pollutants are no respecters of man-made boundaries. They travel across continents with the winds. They are flushed into the sea and go to the other end of the world. They can be discharged in central Canada and found in whales in Hudson Bay.

If we can keep our pollutants to ourselves and everyone else does likewise, we will serve the best interests of mankind. Our fight against pollution is twofold. We must clean up the present mess, of course, and we must prevent further pollution. We have to keep our poisons, and so on, inside our own fences. However, I do not believe the answer is to form another council. If there is anything we do not need it is more bureaucracy. I think the problem is well before us and is well understood.

The governments of the world are coming more and more to realize the importance of the problem and to work together toward its solution. We have pollution conferences here and there. A conference of worldwide interest is the one to be held in Stockholm in June, to which Canada undoubtedly will be making an important contribution.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, Bill C-49 before us this afternoon is an interesting piece of legislation. I can say at the outset that our group has every intention of endorsing the principle of the legislation, which is the setting up of an environmental council. I must say, however, I was rather amused by the opening remarks of the sponsor of the bill. He spoke about the groups in this House uniting on this subject and foregoing partisanship when we consider the need for this council.

I would like to ask the hon. member through you, Mr. Speaker, where he was many months ago when a motion to establish an environmental council was first moved by our group in this House. It was moved in the committee where discussion took place. I cannot recall the sponsor of this legislation giving the members of our group any support in our drive to have an environmental council of Canada set up along the very lines which he is suggesting

in the legislation we are debating. It seems to me that this partisanship should have been considered many months ago when the basic issue was before the committee and the House. The government should have been pressured at that time to bring in legislation to establish such a council.

• (4:40 p.m.)

There is no doubt that an independent environmental council would be a tremendous asset so far as environmental problems in Canada are concerned, and I disagree with the previous speaker who said that we do not need this type of council. We do need it desperately, for the following reasons. We have the Economic Council of Canada. I know that on many occasions the government has been extremely unhappy with the reports that council has put out to the public. It is supposed to be a council divorced from government, a council that will examine very closely every aspect of the economic activity of this nation and then put them in a report to let Canadians know where, in the opinion of the council, we should be going and where the government is getting off the track.

Just as we have a council in the economic field, we need one in the environmental field. The same type of individual is needed, people who will carry out a close scrutiny of all the problems of pollution of the environment which affect our nation. Then, without any political pressure at all, they would give a report to the Canadian nation which would give us guidance as to where we should be going and what we should be doing, and which would suggest methods of meeting the increasing environmental problems which are causing so much distress not only in Canada but all over the world. I appeal to the government seriously to consider this suggestion in the bill. It is a suggestion that has been made on numerous occasions in the House, namely, to set up a council such as this—because if any nation in the world needs guidance in environmental problems, it is ours.

I should like briefly to point out several fields where I believe we are deficient in dealing with pollution and environmental problems so far as our nation is concerned. We have to a great degree fragmented our approach to the pollution problem. We have divided the authority for pollution problems among a number of departments. It is true that we have set up a co-ordinating committee, but in the past we have found that it has not been working. Too many departments ignore the over-all need for environmental protection, and as a consequence the regulations and laws which were laid down many years ago have not been enforced by the various departments, for a variety of reasons. For example, someone in charge of shipping is faced with a problem dealing with the environment. If the action necessary to deal with the pollution problem would upset the economic aspect of shipping, there is a tendency for the department to forget all about it. The same thing applies to fisheries and forestry, to the mining industry and to other departments. This is why an over-all environmental council is desperately needed. It is needed to give Canada a broad picture of what our environmental problems are, how we should deal with them and what changes we should make interdepartmentally to achieve the goal which, I presume, would be outlined by this council.

I would point out very briefly two or three of the major aspects of the environmental problem which I feel have been almost totally neglected by this government. We talk of dealing with pollution problems and environmental problems in a piecemeal method, yet there is no doubt that there are three factors which we cannot separate. One of them is the development of natural resources. Another is population and pollution. They are intertwined; you cannot separate them. For example, what have we done about population and our urban problems? It has been pointed out by experts in every field that we are getting into more and more trouble so far as urban development is concerned. This is part of the population problem facing our nation. Next to nothing is being done by this government or by any individual in it in this respect. We are not getting the guidance or the direction that is needed. We are just going along, hoping that these problems will solve themselves eventually.

Mr. Corbin: How can you say that?

Mr. Harding: If you do not know that and you are interested in this problem, then I want to tell you that very little has been given to the House in the way of direction to solve these problems.

Mr. Corbin: We have done more than any government in 100 years.

Some hon. Members: Hear, hear!

Mr. Harding: Let me tell the hon. member that more pollution and more environmental problems are facing us than have faced any government in the past 100 years. I have no hesitation in saying that there are all kinds of pollution problems facing us, such as mine effluent flowing into rivers, and nothing is being done to rectify it by the department concerned. I can give the House all kinds of examples. The point I am making is that this council could point out to the government and to the departments concerned that, for example, things are going wrong in the north or in some other section of Canada, and it could suggest changes.

The government is trying to give a false impression to the Canadian people, namely, that we are really driving on all these issues while in reality we are only touching the top and moving very gradually, and not too effectively, in our efforts to clean them up. No one is saying that all these steps should be taken at once.

My friend, the hon. member for Parry Sound-Muskoka (Mr. Aiken), spoke about national standards. We do not have them in Canada. This should be another objective of the council. We do not want pollution havens in British Columbia, in Newfoundland or in any other province of Canada. Unless we adopt national standards, this will happen. We need an unbiased council to point out these things to the government and to urge governments at the provincial level to get together and prepare a program which would solve most of the jurisdictional and other problems which face us in this field.

I do not want to talk out this bill. As I indicated before, our party is in favour of the principle of setting up an environmental control council. We would like to see it completely divorced from the government, and independent. This is the only way we will get a real alternative to the approaches of the various political parties and the government of the day. We desperately need this, Mr. Speaker.

• (4:50 p.m.)

I shall now resume my seat, but as the sponsor of the bill indicated in his opening remarks I hope we will see the House unified on this problem, without any more partisanship. This is a good idea, and the bill could be passed by the House this afternoon and sent to committee. However, I am afraid that it will be axed by the hon. friends of the sponsor. I hope this will not happen, but we shall see in the next ten minutes.

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I hoped that the hon. member who just spoke would not again come up with the old party line of partisan politics which creeps into every speech and address they make. Some members may be opposed to this measure, but not just because they are Liberals. In fact the hon. member for Cochrane (Mr. Stewart) and I do not believe that this is a good idea. I do not think it is a particularly good idea just now. Surely this points up our personal point of view on this bill, not the political one.

I talked to the sponsor of the bill earlier. He assured me that there was a typographical error in clause 11 and that it was his intention to make a change. I assume this will be done when the bill gets to committee. Clause 11 deals with organization. Mr. Speaker, I think there is a group of people who print bills and say automatically that head offices shall be in the city of Ottawa. As expressed to me, the hon. member's intention was that the head office of this particular council should be located in Burnaby. Because the amendment was not made I would like to advance an argument on behalf of Sarnia. It is a beautiful community with a miniscule amount of pollution and it has successfully combated most of its big problems. It is approachable by land, sea and air.

An hon. Member: By sea?

Mr. Cullen: The Seaway. I would welcome the hon. member to Sarnia, as he welcomed me to Cape Breton. But he did not tell me that he had arranged a hurricane this summer so that I could not make the trip. However, I will make it next year.

Mr. Speaker, Sarnia, Burnaby or even Edmonton could serve as the headquarters of this council. In Sarnia we have not only the provincial-federal jurisdictional problem but also the international problem of America-Canada. I am happy to say that this problem is being recognized and just this week we learned from the Department of Transport that studies are being carried on by American and Canadian authorities on the problem of the Great Lakes. This type of council could look into that problem.

The hon. member for Parry Sound-Muskoka (Mr. Aiken) indicated that as far as shipping is concerned we have good law with which to curb pollution, but such law is not effective if the guilty parties cannot be established. At the moment these studies are attempting to establish who dumped bilgewater into the Great Lakes and destroyed the beautiful beaches of Lake Huron.

I am opposed to this council at the moment because I think the Department of the Environment should be given an opportunity to prove that it means what it says. The government has indicated that this minister has the responsibility of looking after the environment in Canada so far as federal jurisdiction and power are concerned. It is my submission that if the council suggested in the hon. member's bill is appointed, it will dilute the power of the Minister of the Environment (Mr. Davis), but what is more important—and I think the opposition should be aware of this—is that it will dilute his responsibility for the environment.

I do not think a true analogy can be drawn between this council and the Economic Council. In this area, if someone raised the question I think the minister could say, "This is something that should be studied by the environmental council, and they have not had an opportunity to do that because they have been working in another area". That would give him an opportunity to avoid his responsibility.

I agree with the hon. member for Cochrane who has said that we have too many structures. We know where the water and air and land is polluted, and we know where there is too much noise. We do not need another council to point to that kind of pollution. Mr. Speaker, I would worry about the appointment of a council such as this. Aside from diluting the power of the minister, it would go a long way toward diluting his responsibility.

I am surprised that the opposition would support the establishment of such a council at a time when the government has accepted its responsibility. I was also surprised when the hon. member for Parry Sound-Muskoka said that the government had not shown leadership. He can only say that because he does not acknowledge or recognize the wonderful actions taken by this government. There was an interjection by the Parliamentary Secretary to the Minister of the Environment (Mr. Corbin) that this government has done more to counter pollution than any government in the past 100 years.

It is very easy to say that the clean water bill is there but it does not do anything, and that the clean air bill is there but nothing has been done. When the Conservatives were in power I do not think they had heard of pollution other than was exemplified in some of the speeches made in this House, which I read in the newspapers when I was an ordinary citizen of this country.

I am opposed to the council being established at this time, Mr. Speaker. I think when the minister has seen to his responsibility, if we then get into areas which are more sophisticated as far as policy is concerned we might need an environmental council such as is suggested by the hon. member for Burnaby-Richmond-Delta (Mr. Goode) in his bill. By then we would have the expertise gained from several years of trying to solve the problem and could form an environmental council composed of individuals with sophistication and knowledge of the problem.

Mr. Paproski: And form a new government.

Mr. Cullen: It will only be a new Liberal government.

Mr. Speaker: Order, please. The hour assigned for the consideration of private members' business has expired. This House stands adjourned until Monday, December 13, at two o'clock p.m.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 13, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

NOTICE OF TIME ALLOCATION MOTION FOR THIRD READING STAGE OF INCOME TAX BILL

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wish to state that it has not been possible for the representatives of the several parties in the House to reach an agreement under Standing Order 75A, nor has it been possible under Standing Order 75B, with regard to an allocation of time to the third reading stage of Bill C-259, an Act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act.

I am therefore giving notice of my intention to propose at the next sitting of the House a motion under Standing Order 75C that debate at the third reading stage of the bill conclude on Friday, which will provide an additional three days after tomorrow.

Mr. Baldwin: I rise on a point of order, Mr. Speaker. Your Honour, of course, held on this point of order the last time this unfortunate action was announced that you are bound by the statement of the minister and we cannot go behind it. That is a precedent and of course we accept it. However, because of what I said before I think I am entitled to state on a point of order that, while I knew of the discussions which were being held as to the question of time allocation, I did not participate in them. Without the safeguards provided by the proposed amendment of the Leader of the Opposition (Mr. Stanfield), which view was unfortunately not shared by other parties, it was the position of this party that we could not agree to a limitation within the time mentioned by the minister.

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EXTERNAL AFFAIRS

STATEMENT BY MINISTER ON NORTH ATLANTIC COUNCIL MEETING AND CONVERSATIONS WITH EUROPEAN ECONOMIC COMMISSION AND CERTAIN FOREIGN MINISTERS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, in the course of three days in Brussels last week I attended the December ministerial meeting of the North Atlantic Council, continued our conversations with the European Economic Commission and had meetings with the French Foreign Minister, Mr. Schumann, and the Acting Foreign Minister of Greece, Mr. Palamas.

Western Europe, with Britain on the threshold of the community and already being drawn into its councils, is the scene of some of the most dynamic developments in the world today. The negotiations for the enlargement and deepening of the community in their final stage are paralleled by East-West negotiations over the status of Berlin, and by promising moves toward a *modus vivendi* between the Federal German Republic and the German Democratic Republic. These developments, taken together, are bringing about a Europe more soundly based economically and with a healthier and saner political climate.

Progress on Berlin is the most dramatic of these developments. Since the Second World War, Berlin has been a focus of the East-West confrontation and unsettled relations between the Federal and Democratic Republics of Germany a major stumbling-block in the search for détente.

Without the active support of NATO, Chancellor Brandt would have been unable to negotiate, on a basis of equality, the treaties with the U.S.S.R. and Poland, nor could the Federal Republic, acting alone, have any real hope of reaching a *modus vivendi* with the German Democratic Republic.

It is against this background of forward movement in Central Europe that the NATO meeting should be seen. The two major preoccupations of the alliance, and I believe of the Soviet Union and the countries of the Warsaw Pact, are the holding of a conference on security and co-operation in Europe and the negotiation of mutual and balanced force reductions, usually referred to by the acronym MBFR.

• (2:10 p.m.)

On the conference, ministers reaffirmed the position they adopted at the June meeting, that NATO countries are ready to enter upon multilateral preparations for a conference when a satisfactory conclusion of the Berlin talks has been reached. Meanwhile, they agreed to keep in touch with the Finnish government which has offered Helsinki as a site for conversations on this subject. Two of the stages needed for a Berlin settlement have been concluded. The Soviet Union has made conclusion of the final stage contingent upon ratification of the Warsaw and Moscow treaties. This may be expected within the next few months.

What is important, however, is the process set in motion by the conference concept. The conference, whenever it is held, and whatever its outcome, is only one element of a wider negotiating process. The substantial gains I have noted in Central Europe have their foundation in the realistic "Ostpolitik" of Chancellor Brandt. But I wonder whether they would have been achieved had the confer-

ence idea not been accepted in principle and had NATO not made of the Berlin element an essential pre-condition for a conference. It is not unusual in diplomacy that movement toward a certain goal, in this case the conference, itself results in the resolution of long-standing problems. Similarly, it may well be that the conference will set in train further movement toward easing of tensions.

On MBFR, the alliance noted with regret the lack of a Soviet response to the offer to send an explorer, in the person of Mr. Brosio, former Secretary-General of NATO, to Moscow. This was a proposal made by Canada at the June meeting. In the course of the past ten days both Mr. Brezhnev and Mr. Kosygin have renewed expressions of Soviet interest in force reductions but confined themselves to generalities. If the Soviets would receive the explorer, progress would be made positively and quickly toward substantive negotiations. That they have not done so, I believe, reflects the fact that the Soviets and their friends have not yet worked out either their procedural or their substantive position on MBFR and are having real difficulty in deciding how to respond.

The alliance is not making negotiations on MBFR a precondition to the holding of a conference, but ministers noted that if a conference was to address itself effectively to the problems of security in Europe it should deal in a suitable manner with measures to reduce the military confrontation.

Ministers took note of the strains imposed upon the alliance by continuing monetary and trading problems affecting member nations. At Canada's suggestion, it was agreed that these problems should be kept under continuing review.

My discussions with Mr. Malfatti, President of the European Economic Commission, Mr. Mansholt, Vice-President, and other senior officials came at a particularly apposite time, on the eve of the Council of Ministers' consideration of United States proposals for resolution of the monetary and trading problems now facing us. I told Mr. Malfatti, as I had told Mr. Rogers in Washington a week earlier, that Canada is willing to make its contribution to a general settlement but does not regard bilateral negotiation of the removal of the surcharge as either feasible or desirable.

I stressed to the commission Canada's interest in eventual movement toward freer trade and expressed the hope that once current difficulties are overcome the commission would show willingness to move further in this direction. I also took up with the commission specific problems of access to the Common Market for Canadian agricultural and forest products, in particular, rapeseed.

I am glad to be able to report that I found that attitudes to Canada have become more realistic in the past year. The commission now has a much clearer concept of Canada's identity and its position in the trading world. There is no longer a tendency to lump Canada with the United States. This changed attitude is a direct result of the frequent and frank exchanges we have had with the commission and with the ministers who make up the council. These we will continue, and I again stressed to Mr. Malfatti and his colleagues our wish to have consultation with the community put upon a more systematic basis. This is not an easy matter, since consultation at the ministerial level such as we have with our other major trading partners, like the United States and Japan, involves the Council of Ministers, consisting today of foreign ministers of six countries, soon to be ten. Until this final goal can be achieved we are working toward regular consultation with the commission and pursuing our interests in bilateral consultations with ministers of the member nations of the community. The setting up of consultative machinery was also the principal issue I discussed with the French Foreign Minister, Mr. Schumann.

My conversation with Mr. Schumann was one of a continuing series in which we discussed many aspects of our shared interests and particularly our responsibilities as major Francophone countries.

While I left Canada intending ro meet Mr. Palamas, Acting Foreign Minister of Greece, as it happened the meeting took place at his request. He wished to urge upon me the need for a continuing Canadian contribution to the United Nations force on Cyprus. I explained the Canadian position, that we will maintain our forces in Cyprus only so long as we believe that their presence can contribute to the reaching of a settlement and not just to allow the parties to the dispute to put off a settlement indefinitely.

I expressed to Mr. Palamas the deep concern many Canadians feel about the situation in Greece. Mr. Palamas assured me of his government's firm intention to implement the constitution progressively and restore democracy in due course. I urged upon him the need for the Greek government, if it sets store by the opinion of others, to act in accordance with its words. Elections, I suggested, would go far in this direction. I can tell the House that Mr. Palamas was left in no doubt of the depth and strength of Canada's concern for democracy in Greece.

I should now like to table the communiqué issued after the meeting of the North Atlantic Alliance, and suggest, if the House agrees, that it be printed as an appendix to *Hansard*.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: For text of communiqué referred to above, see Appendix A.*]

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to thank the minister for his statement and his usual courtesy in making it available to the opposition spokesmen at something earlier than the last minute. It would be easy to say that the statement was innocuous or vacuous but I will resist the temptation and compliment him rather on its realistic moderation. It compares most favourably with the starry-eyed "look what I found" statement of the Prime Minister (Mr. Trudeau) after his return from Washington via Damascus.

However, I cannot refrain from commending the minister—and I have been watching this for a good many years—for what strikes me to be a changed attitude toward NATO. In 1968 and later it looked as though the present government would throw NATO into the ashcan of discard. Of all the errors of anticipation and execution of the present government, the one which I feared most was a reassertion of the Mackenzie King doctrine of isolationism. I might be tempted to make political capital out

of an apparent change of emphasis and direction, but I will not.

Some hon. Members: Oh, oh!

Mr. Macquarrie: But I will tell the minister, if Liberal backbenchers will allow me, that my colleagues and I, rather than talking about last minute conversions, will support in every way any effort to make NATO a more viable and effective international organization.

I do wish that the minister had told us a little more about his conversations with officials of the European Economic Community. For example, I should like to know what progress was made in the very important area of penetration of markets that might very well be closed to us. I agree wholeheartedly with what the minister said about the situation in reference to Berlin, or at least as I understand what he said. I think we must stick by Chancellor Brandt who in this day and age is showing himself to be a very realistic, dedicated and sound statesman.

I would also tell the minister that he is quite right in suggesting that without the support of the multinational organization of NATO Chancellor Brandt would not have been able to move as far as he already has in the very important development of détente with East Germany. Whatever lies ahead, if that man, his people and his government can find a *modus vivendi* with East Germany, who are we in Canada to look askance at such a hopeful development? I think that NATO's involvement in this and its support of and co-operation with Chancellor Brandt are of tremendous importance.

• (2:20 p.m.)

The minister might have told us a bit more about his discussions with Mr. Schumann, the Foreign Minister of France. Sometimes there have been interesting developments between Canadian and French statesmen, not all of which were reported. The minister might have been a little bit more forthcoming on that but the fact that they talked is something that we put down in the positive column.

I noted too his reference in his statement to Japan. This is most important because there is a tremendous community of interest between Japan and Canada today. I believe this should be studied, furthered and developed. I hope that in all the activities in the field of summitry a move will be made to invite the Emperor of Japan to this country so that we may be able to discuss in fuller detail the great community of interests existing between our two countries.

I agree with what the minister said about Cyprus. We must work for a political settlement there. It is very depressing that year follows year and we still have a group of military people in Cyprus. Canada is doing at least as much as and indeed a great deal more than others in maintaining a peacekeeping group there, but the lack of progress toward a political settlement is depressing and disheartening. I think it is not enough merely to have military or paramilitary groups there maintaining a most uneasy status quo. We must move toward conciliation or mediation of this problem; otherwise, it seems to me that the whole United Nations operation is facetious, ill-advised and not the kind to which we should lend our great support.

The minister also referred to his discussions with Mr. Palamas of Greece. We are all terribly disturbed by what has taken place in Greece and what has taken place for a long time in Portugal, but being a realist—and a conservative has to be a realist—I am often puzzled about what we can do under these circumstances. Do we go about the world and apply some unique diplomatic litmus test whereby we register those who are totally democratic and suitable to ourselves and expel all those who do not measure up to that standard, or do we withdraw? Are there any nations in the Commonwealth which are not totally democratic? Are there any nations in the United Nations which are not totally democratic by our standards? Indeed, if we carry our self-righteousness too far, I wonder what we do about a provincial premier who refuses to pay attention to how the voters vote. So we cannot carry that too far. I have always tried to be a man of détente, a man of peace, a reasoned and reasonable internationalist, but I would say that in the long run we have to underscore again the realities of the situation.

I am depressed by something the minister touched upon very lightly, the fact that the explorer, that very distinguished statesman, the former Secretary General of NATO, Dr. Manlio Brosio, has not yet been received by the nations of the Warsaw Pact. Until he has received a welcome there, how can we be realistic in our anticipation of an early move toward the détente which we all welcome? I am glad the minister mentioned the rebuff which Mr. Brosio is receiving. I hope that those who make a profession of a desire for détente from east to west will quickly move to accept that great statesman so that in a realistic and sensible way those of us who believe in NATO—and I hope Canada will continue to belong to NATO for a long time—may move toward a concentration upon the real problems of Europe and take firmer and fuller steps toward a more peaceful Europe and a more agreeable and sensible relationship among all the peoples of that great continent.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, we in this party are naturally gratified that the forward moves on which the Secretary of State for External Affairs (Mr. Sharp) has reported in regard to Europe, and which we have long advocated, now seem to be coming to fruition. I refer to the proposed European security conference and to the proposal for a mutual balanced force reductions in Europe.

I think the best news we have had in the international world recently has been the progress in regard to Berlin. In my view progress on Berlin—and I do not differ from the minister in this regard—is the key to normal and peaceful relations in Europe and, indeed, through Europe so far as Europe is concerned in the world. Unless there is a total dismantling of the massive confrontation of tactical nuclear weapons which still exists, there can be no real peace in the heart of Europe. I welcome the fact that in his statement the minister paid tribute to the Chancellor of West Germany, Mr. Brandt, because I believe his policy of Ostpolitik has opened the door to sanity in the relations between the European powers. I pay tribute to him myself for this development.

I noticed that one thing seems to have been omitted from the statement. It is my understanding from reading some of the press that the nations which comprise the North Atlantic Council have indicated that instead of reducing their budgets for arms they in fact intend to increase them. If this is so I hope Canada has no part in that particular decision because if anything is clear it is that we must reduce and not increase the mad momentum of armament which exists at the present time.

I am glad also to note that the Secretary of State for External Affairs engaged in consultation on trade matters with the leaders of the European Economic Community. This would seem to be of vital importance to Canada's interests. I was interested to note that the minister had conversations with the Acting Foreign Minister of Greece. Naturally I was pleased to note that the minister made clear to him that so far as Canadians are concerned there is a deep and strong concern for democracy in Greece. I would have been more impressed had the minister told us that Canada has joined with other countries in NATO where the matter should be raised, countries such as Denmark and Norway, in saying that the activities, attitudes and policies of the military dictatorship in Greece and the policies of the dictatorship in Portugal are diametrically opposed to and inconsistent with the basic principles that NATO is supposed to defend. I would have thought that was the place, not in private conversation, to raise the issue of democracy in Greece and indeed in Portugal.

* * *

AGRICULTURE

ANNOUNCEMENT OF CHANGE IN DAIRY SUBSIDY PAYMENTS

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I wish to announce a change in the policy of dairy subsidy payments which will be of particular importance to smaller cream producers. The change will apply to shippers who held a subsidy eligibility quota at any time since 1967 but whose eligibility for subsidy was later withdrawn because they delivered less than 420 pounds of butterfat in a year. It will permit people in this category to again become eligible for subsidy if they deliver 420 pounds or more in this or a subsequent year. The new arrangement will start in the present dairy year. Those whose quotas were withdrawn previously and who deliver 420 pounds or more between April 1, 1971, and March 31, 1972, will be paid subsidy on their deliveries during the year, up to their quotas.

• (2:30 p.m.)

If a shipper's quota was withdrawn in 1969 or in a later year, his reinstated quota will be the same as that which he held at the time it was withdrawn. If his quota was withdrawn in 1968, his quota will be for the amount of his deliveries in the 1966-67 year or 420 pounds, whichever is the greater.

The payment for this year will be made at the end of the year, but for next year they will be reinstated for the regular subsidy payments on their monthly deliveries.

The same procedure will follow in subsequent years. If those involved have deliveries of less than 420 pounds this year but reach that figure in the 1972-73 year, they will be reinstated at the end of that year.

Mr. R. E. McKinley (Huron): Mr. Speaker, with regard to the statement made today by the Minister of Agriculture (Mr. Olson) that the subsidy eligibility quota will be returned to producers, all I can say is that the subsidy eligibility quota should never have been withdrawn from them in the first place. I can well remember that the Minister of Agriculture was so advised by members of the Official Opposition at that time. I have to say that the operation of the Canadian Dairy Commission under the guidance of this minister has certainly left a great deal to be desired.

Some hon. Members: Hear, hear!

An hon. Member: Resign.

Mr. Bell: You have milked your last cow.

An hon. Member: Off to the Senate.

Mr. McKinley: We can remember that a year or two ago a great deal of money was deducted from payments to producers, and it cost producers a great deal to sell on world markets. We have gained access to world markets but in the meantime the policies of the Canadian Dairy Commission have so curtailed production in this country that we can no longer fill those world markets.

Some hon. Members: Shame.

Mr. McKinley: I believe that new advisers are needed in the Canadian Dairy Commission as well as in the Department of Agriculture. In order to make a good job of filling world markets and in order to regulate production, plans must be made four or five years ahead. This government has been unable to do that so far as grain or milk or almost anything else that you can name is concerned. So we would like to see some improvement in that regard.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I hope the minister and those responsible have some method of adequately notifying the shippers in the various categories to which the minister has referred. I may tell the minister—and I think he knows it—that since this policy has been in effect in western Canada and in Saskatchewan in particular those of us who represent farmers in that area have had to deal with farmers whose eligibility quotas and therefore their payments have been cut off. I may tell the minister that only last week I was still receiving representations from farmers in that area. Perhaps if a real effort is made the minister's department will be able to correct some—I stress the word "some"—of the hardships they have imposed on the small farmers in Saskatchewan and indeed in Manitoba and Alberta. It may be that they will so reorganize their affairs as to allow the dairy industry to produce in sufficient quantities to serve the needs of the nation.

It seems strange to me that the department has managed dairy affairs in Canada so badly that, according to information received in answer to questions put in the Committee on Miscellaneous Estimates, we will be importing ten million pounds of butter from the United States at

considerable cost. Even at this stage we are purchasing butter from the United States and paying import duty and freight charges. At the same time we are depriving our own producers of the right to earn a livelihood by means of milking cows and shipping cream. I think this indicates a very bad situation.

I cannot overemphasize the hardship that has been inflicted on our people. Yet we are being asked to approve supply management policies of the government in the face of this kind of management. We have been asked also to approve a grain stabilization program and to approve supply management programs under Bill C-176. We in the opposition must make a judgment on the basis of the record of the government, and the record is not good.

Some hon. Members: Hear, hear!

Mr. Gleave: The minister may smile, but the people who telephone me and who spoke to me in Saskatchewan are not smiling. They are under considerable financial stress; they do not regard the situation as funny, and neither do I. So I say that better than this must be done to avoid running short of protein and butter at a time when there are unfed and undernourished people in this country.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I remember the discussions we had in the Standing Committee on Agriculture on the subject the minister mentioned in his statement.

Several members then defended dairy producers, but in vain. Those producers are found in all parts of the country. In fact, they are the ones who operate what we call small family farms and who still have the right to survive today. If we want to avoid getting the majority of the rural population on welfare, we must give those who still have plenty of spunk a chance to earn as much as possible. Canada as a whole will benefit from it and this is still the best formula: that all Canadians profit from individual efforts.

By again granting subsidy payments to small dairy producers in our country the government is taking a step forward, I think. It had lost ground, but now it is making a headway. I hope that we are going to keep on going in the right direction because the minister in his statement of last week recognized the real usefulness of the family farm when millions were approved for its survival.

As a farmer, I believe that the best help is first to let the farmer do his share by giving him easier access to markets for the sale of his products and guaranteeing him prices corresponding to present costs, having regard to the cost of production so that he may make a reasonable profit.

I hope that the current improvement of the dairy market will encourage the Minister of Agriculture (Mr. Olson) to grant benefits to other groups of dairy producers, in order to remove as much as possible the penalization for overproduction.

As a result of increased demand for dairy products on the international market, I hope—and this is what I am asking the Minister of Agriculture to do—that appreciable improvements will be brought while there is still enough time, as far as quotas are concerned, so that production may normally increase to meet market needs and prevent Canadians from having to import dairy products. This could easily happen and, in my opinion, the minister is conscious of the fact. It is surely on account of that danger that he decided to make some improvements. I am very pleased and I hope that policy will be extended to other groups of producers so that they may enjoy all possible benefits.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

OPPORTUNITIES FOR YOUTH PROGRAM—COST OF PRINTING POSTERS

Question No. 1,644—**Mr. Skoberg:**

1. What was the cost of preparing and publishing the posters under the Opportunities for Youth programs depicting young people travelling across the Nation?

2. Were public tenders called for the printing of such posters and, if not, for what reasons?

3. Where was the printing done?

4. Did printing shops across the Nation have an opportunity to do printing for the program?

5. What was the breakdown by province for mailing the literature?

6. Was any such material received late and, if so, what reasons were given for the delay in such shipments?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. None. However, posters were prepared for the transient youth program, and the cost was;—Counter cards, $984.03; Posters, $3,199.39.

2. No. Under three weeks were available to have the posters designed, approved and printed.

3. In Montreal, by Metropole Lithographing Inc.

4. Yes, As far as the Opportunities for Youth program was concerned, newsletters were produced and printed in the five Opportunities for Youth regions: Atlantic, Québec, Ontario, the Prairies, British Columbia.

5. The posters were distributed to hostels and kiosks across Canada which were listed on the pamphlet tabled in reply to Question 1851. The newsletters were distributed within the particular Opportunities for Youth regions, as mentioned in reply to Part 4.

6. No. The material was not received late.

[*English*]

SUBSCRIPTIONS TO "HANSARD"

Question No. 1,672—**Mrs. MacInnis:**

1. How many subscribers for *Hansard* were there for the 1967-68 and 1970-71 sessions?

2. What is the breakdown by province of these totals?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of

Supply and Services and Information Canada as follows:
1. The following are the circulation figures for *Hansard* for the 2nd Session, 27th Parliament, for 1967-68:

	English	French
Paid	7771	976
Free	5717	1733
	13488	2709

1970-71 Session 15,900

2. The records of the breakdown by province for the 2nd Session, 27th Parliament, for 1967-68, are not available.

1970-71 Session

Alberta	980
British Columbia	1,438
Manitoba	747
New Brunswick	407
Newfoundland	257
Nova Scotia	652
Ontario	7,415
Prince Edward Island	129
Quebec	2,866
Saskatchewan	623
Yukon	26
Northwest Territories	39
Other Countries	321
	15,900

BARBER COMMISSION—IMPLEMENTATION OF RECOMMENDATIONS

Question No. 1,684—**Mr. Mazankowski:**

1. Have any recommendations of the Barber Commission been implemented and, if so (a) how many (b) which ones?

2. How many are presently being considered and what are they?

3. What steps are being taken to implement the recommendations to reduce the cost of farm machinery and machinery repairs?

4. What steps are being taken (a) to bring about greater standardization in the industry (b) to bring about a central testing and evaluation agency (c) to encourage farm machinery manufacturing in Canada (d) to co-ordinate better parts service at lower cost (e) to avoid shipping delays due to prolonged delays at customs?

5. Is the appointment of a farm machinery ombudsman under active consideration?

6. Is any consideration being given to the recommendation which would provide for a guaranteed loan program for dealers similar in form to F.I.L.A.?

Hon. H. A. Olson (Minister of Agriculture): 1. Yes (a) 6 (b) 1 to 6.

2. 1 Number 7.

3. Covered in 1 and 2.

4. a, b and c—A study has been undertaken by the Canada Committee on Agricultural Engineering; c and d—Discussions have been held with representatives of the farm machinery industry; (e) The various aspects of the recommendation of the Royal Commission on Farm Machinery to speed up delays in customs clearance of repair parts are under consideration in the Department of National Revenue.

5. The appointment of a farm machinery ombudsman at the federal level is not deemed to be apropos since the matter is within provincial jurisdiction. Provinces with legislation on the farm machinery and equipment industry generally include or have amendments under consideration respecting the appointment and duties of such an official.

6. The implications of this recommendation together with these having to do with interest-free floor planning are being considered.

SUPPLY AND SERVICES—PURCHASE OF FLASHLIGHTS

Question No. 1,694—**Mr. McQuaid:**

Has the Department of Supply and Services recently awarded a contract to Major Sales Distributions for the purchase of flashlights and, if so (a) how many flashlights were purchased (b) what is the price per flashlight (c) to what departments will the flashlights be distributed?

Hon. James Richardson (Minister of Supply and Services): (a) (b) and (c) Yes. On August 4, 1971, a contract was awarded to the lowest tenderer, Major Sales Distributions, for 7,607 flashlights at $2.45 each, for delivery to the Canadian Forces Supply Depots located at Toronto, Moncton, Montreal and Lancaster Park, Alberta.

SUPPLY AND SERVICES—PURCHASE OF TENT POLES

Question No. 1,695—**Mr. McQuaid:**

Has the Department of Supply and Services recently awarded a contract to Dominion Magnesium Ltd. (Aerometals Ltd.) for the purchase of tent poles and, if so, how many tent poles are being purchased and what is the cost per pole?

Hon. James Richardson (Minister of Supply and Services): Yes. A contract was awarded on August 6, 1971, to the lowest tenderer, Dominion Magnesium Ltd., (Aerometals Ltd.), for the supply of tent poles to the Department of National Defence depots in the amounts, prices and locations as follows: 2,245 poles at $20.62 each to Montreal and; 748 poles at $20.75 each to Lancaster Park, Alberta.

SUPPLY AND SERVICES—PURCHASE OF CORRECTION FLUID

Question No. 1,696—**Mr. McQuaid:**

Has the Department of Supply and Services recently awarded a contract to Dixon Pencil Co. Ltd. for correction fluid and, if so (a) how many gallons of fluid are being supplied (b) to which departments will the correction fluid be distributed (c) when was the last contract for correction fluid awarded and for what amount?

Hon. James Richardson (Minister of Supply and Services): Yes. A contract was awarded on July 16, 1971 to the lowest tenderer, Dixon Pencil Co., Ltd. for $21,151; (a) 275.4 gallons, of correction fluid, supplied in one-ounce bottles at $0.48 each; (b) distribution on demand to all federal departments supplied by DSS No. 1 Supply Centre; (c) the last contract was awarded on October 28, 1970 to another company for $17,496. for 218.7 gallons, supplied in 34,992 one-ounce bottles at $0.50 each.

SUPPLY AND SERVICES—PURCHASE OF SUNGLASSES

Question No. 1,698—**Mr. McQuaid:**

Has the Department of Supply and Services recently awarded a contract to Safety Distributor Products Ltd. for the purchase of sunglasses and, if so (a) how many pairs of sunglasses are involved and what is the price per pair (b) to which departments will the sunglasses be distributed?

Hon. James Richardson (Minister of Supply and Services): (a) and (b) Yes. On July 16, 1971 a contract was awarded to the lowest tenderer, Safety Distribution Products, Ltd., for the supply of sunglasses for delivery to DND depots in the amounts, prices and locations as follows: 5,500 pairs at $4.80 each to Downsview; 2,500 pairs at $4.82 each to Moncton, and 3,000 pairs at $4.84 each to Lancaster Park, Alberta.

OPERATION LIFT PROGRAM

Question No. 1,806—**Mr. Schumacher:**

1. Since the inception of the Operation Lift program (a) how much money has been paid out (b) how many farmers have received payment and what is the total amount of each such payment (c) how many farmers have been asked to return moneys paid to them under the program and what are the reasons for such requests to return payments?

2. Were errors in payments made and, if so, who was responsible?

3. How much money has been returned by farmers found by the government to be ineligible for payment?

4. How much money is still outstanding from farmers who the government alleges were not eligible for payment?

5. What recourse is planned for farmers unable or unwilling to return payments wrongly made by the administrators of the Operation Lift program?

Hon. H. A. Olson (Minister of Agriculture): 1. (a) $63,092,778.37 has been paid out to November 19, 1971; (b) 100,909 farmers have received $63,092,778.37; (c) There has been correspondence with approximately 4,500 farmers concerning apparent overpayments. Reasons: a farmer made more than one application; separate applications were made by husband and wife; application included land that was not operated by the applicant in 1970; applicant was ineligible by virtue of being a non-resident; total acres operated by the farmer were greater or lesser than the number stated in the application form; use of acres was changed during 1970 or was incorrectly described by the applicant; mathematical errors by applicants in the preparation of Lift applications or permit books and/or by Lift staff in payment calculation.

2. Answered by 1 (c) above.

3. and 4. An amount of $7,509 was paid to applicants who were ineligible for any payments and this amount is outstanding. Overpayments on record to eligible applicants as at November 19, 1971 amounted to $532,351, of which $128,547 has been returned by farmers.

5. The government will pursue normal collection procedures for the return of overpayments.

HEALTH AND WELFARE—LSD AND OTHER DRUGS

Question No. 1,825—**Mr. Robinson:**

Has or will the government obtain reliable information concerning (a) the extent and use of canabis, LSD and other hallucinogenic drugs (b) the effect the use of these drugs has on the individual (c) the effect they have on society (d) the effect that ease of control would have on detection and regulation (e) the effect any legal sanctions would have (f) the international implications of legalization?

Hon. John C. Munro (Minister of National Health and Welfare): (a) A number of sources have already established data concerning the extent of marijuana usage and that of other psychotropic drugs. The final report of the Commission of Inquiry into the Non-Medical Use of Drugs is expected to give further information on this, as will some of the research programs funded by the Department of National Health and Welfare; (b) and (c) Similarly, the government already possesses information on the effect of psychotropic drugs on the individual and society, obtained both from national and international sources. Through the research program under the Department Co-ordinated Programs on the Non-Medical Use of Drugs additional information in this respect will be obtained; (d) (e) and (f) The effect of the application of control measures is a consideration underlying many programs. The government is looking at the many facets of this problem both inside the country and the impacts that our efforts have internationally, continuing liaison through the United Nations and other international groups.

RECYCLING OF PAPER

Question No. 1,896—**Mr. MacRae:**

As a conservation measure, which departments are re-cycling paper?

Hon. James Richardson (Minister of Supply and Services): In so far as Crown Assets Disposal Corporation is concerned: Waste and surplus paper from government departments in Ottawa is picked up by the Florence Paper Company under contract through Crown Assets Disposal Corporation. The paper is reclycled by that company.

CANADA MANPOWER TRAINING PROGRAM

Question No. 1,968—**Mr. Orlikow:**

1. What were the federal expenditures under the Canada Manpower Training Program, contracted with employers for the purpose of training-in-industry, in each of the fiscal years since 1967-68 (including the first six months of 1971-72) in each province and territory?

2. What were (a) the names and address of these employers (b) the amounts paid to each of them from the federal treasury under these contracts (c) in each case, the number of employees trained (d) the trade, skill or discipline in which the employees were trained?

3. What was (a) the total payroll in the plant where the training took place (b) the number of employees (excluding trainees) in the trade, skill or discipline in which training was conducted, in the plant where that training took place, at the end of each fiscal year in which a training contract with the employer was in effect?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. Federal Expenditures under the Canada Manpower Training Program, contracted with employers for the purpose of Training-in-Industry.

Questions

$(000's)

Area	1967-68	1968-69	1969-70	1970-71	1971-72*
Newfoundland	—	268	324	151	30
P.E.I.	6	22	112	67	—
Nova Scotia	17	261	183	399	38
New Brunswick	65	107	122	287	69
ATLANTIC	88	658	741	904	137
QUEBEC	106	520	710	1,066	—
ONTARIO	449	2,191	2,819	1,159	945
Manitoba	361	494	726	517	24
Saskatchewan	42	241	379	145	42
Alberta	68	329	747	672	342
N.W.T.	—	—	—	14	—
PRAIRIE	471	1,064	1,852	1,348	408
B.C.	—	34	80	339	—
Yukon	—	—	—	—	—
PACIFIC	—	34	80	339	—
CANADA	1,114	4,467	6,202	4,816	1,490

*Up to 30 September, 1971.

To provide answers to parts 2 and 3 of this question would entail costly expenditures and the hiring of additional staff to undertake the large amount of work involved in obtaining the detailed information relating to almost 8,000 contracts, covering a period of nearly five years, much of which must be extracted from the records of various of our offices outside of Ottawa. In addition to being costly, as mentioned above, this review would also involve officers already fully engaged in those components of the Government's Special Employment Plan which are the specific responsibilities of this Department.

FAMILY PLANNING AND ASSISTANCE

Question No. 2,011—**Mr. Robinson:**

Will the government consider the advisability of making family planning advice and assistance readily available to all Canadians?

Hon. John C. Munro (Minister of National Health and Welfare): The government has considered the question of making family planning advice and assistance readily available to all Canadians and has outlined actions being taken in statements in the House of Commons on September 18, 1970 and May 6, 1971. On the latter date, the Minister of National Health and Welfare stated that the purpose of the government's family planning program is to ensure, in co-operation with provincial health and welfare departments, professional organizations, universities and voluntary organizations, the availability of family planning services and facilities to Canadians who want them. This report also stated that the specific objectives of the program are: (1) To inform Canadians about the purpose and methods of family planning so that the exercise of free individual choice will be based on adequate knowledge; (2) To promote the training of health and welfare professional and other staff involved in family planning services; (3) To promote relevant research in family planning, including population studies and research in human behaviour and reproductive physiology; (4) To support public or private family planning programs through federal grants-in-aid and joint federal provincial shared-cost programs.

[Mr. Lang.]

ABORTION DEFINITION

Question No. 2,027—**Mr. Robinson:**

Will the government consider the advisability of defining abortion as the termination of a pregnancy before twenty weeks gestation?

Hon. John C. Munro (Minister of National Health and Welfare): In the expected debate relating to the matter of abortion it may develop that a definition of abortion becomes advisable.

SCIENCE COUNCIL OF CANADA—ANALYSIS OF RECOMMENDATIONS OF THIRD ANNUAL REPORT

Question No. 2,044—**Mr. Orlikow:**

When is it anticipated that the analysis of the recommendations of the Third Annual Report of the Science Council of Canada will be made public?

Hon. Alastair Gillespie (Minister of State for Science and Technology): The government has no plans to make public an analysis of the recommendations contained in the Third Annual Report of the Science Council of Canada. It has, however, acted on the specific recommendation that improved statistical analyses of Federal Government R and D expenditures be published. Such analyses are now published by Statistics Canada in collaboration with the Ministry of State for Science and Technology each year as "The Federal Government Expenditures on Science" catalogue number 13-202. In addition, Statistics Canada publishes "Advance Statements on Federal Government Expenditures on Science", the latest having appeared in August 1971 as catalogue number 7013-501. The Ministry of State for Science and Technology also publishes the Green Book annually which is a Federal analyses of Government costs for Scientific Activities, and which has been distributed in November this year to all members of the House.

EDUCATION—FEDERAL ASSISTANCE FOR TEACHING OF FRENCH IN ONTARIO ELEMENTARY SCHOOLS

Question No. 2,100—**Mr. Kaplan:**

What assurances did the federal government obtain that money allocated by it for the teaching of French in Ontario elementary schools would in fact be so used?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): When the federal and provincial governments made arrangements for the program of co-operation for the development of bilingualism in education, they agreed that the objectives of the program were to ensure that, insofar as it is feasible, Canadians have the opportunity to educate their children in the official language of their choice, and children have the opportunity to learn, as a second language, the other official language of their country. In keeping with these objectives, grants made under the program are keyed to performance: that is, they are calculated according to the number of students and the amount of time involved in studying in the minority language and learning the second language. (In Ontario, French is considered to be both the minority language and the second language for purposes of this program.) It should be noted as well that the federal and provincial governments have agreed

to re-examine the grant formula after eighteen months of operation.

[*English*]

NAVAL CENTRAL DRAWING OFFICE—CANADIAN VICKERS LTD.

Question No. 2,125—**Mr. Forrestall:**

1. Has Canadian Vickers Ltd. assumed responsibility for the operations of the Naval Central Drawing Office and, if so, on what date?

2. How many persons are employed in the NCDO?

3. Is consideration being given by the government to terminate its arrangements with Canadian Vickers Ltd. in Montreal for the operation of the Naval Central Drawing Office and, if so, what future plans are being considered for the function of this Office?

4. Will assurances be given to the more than one hundred people in the employ of this Office that their jobs will continue?

Hon. James Richardson (Minister of Supply and Services): 1. Starting in 1949, Canadian Vickers Limited (CVL) under annual contracts with the Department of Defence Production (now Supply and Services) assumed responsibility for the operation and management of the Naval Central Drawing Office (NCDO). This responsibility ceased in 1969 when CVL established their Marine Services and Systems Division. Personnel employed in the NCDO formed the nucleus of this new Division of CVL, which now performs marine drawing work for both commercial firms and the Department of National Defence (DND). The work for DND is under contract with the Department of Supply and Services. The NCDO does not now exist as a separate entity.

2. Nil. However, as of October 30, 1971, some 67 technical personnel in the Marine Services and Systems Division of CVL are employed on government work.

3. Although the government does not currently have an arrangement with CVL re NCDO for the reason outlined in 1. above, the Department of Supply and Services does have two contracts with the firm to provide drawings and related services for the Department of National Defence. These contracts are to be completed by March 31, 1972. Invitations to tender for the supply of space and hiring of suitably qualified personnel to perform drawing work and related services on behalf of the Department of National Defence, for a two year period commencing April 1, 1972, have been issued to a number of Canadian firms, including CVL. It is not known what plans CVL has for the future operation of the Marine Services and Systems Division of the Company in respect of commercial and/or government business. However, it is understood CVL recently acquired new commercial business and is in the process of rehiring. The firm also indicated it will respond to our tender.

4. Other than as noted above, it is not known what arrangements CVL has with personnel employed in the Marine and Systems Division of the Company in respect of future employment.

POST OFFICE—POSITION OF MANAGER—STAFF RELATIONS

Question No. 2,135—**Mr. Rowland:**

1. What is the process involved in the selection of a person to fill the position of Manager—Staff Relations in the Post Office Department?

2. Through what process is it decided whether a candidate will be called for an interview?

3. What is the classification by grade of the officers who select particular candidates for interviews?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. Open competition.

2. A Board of officers is convened to review applications and decide which applicants will be interviewed.

3. The classification and level of officers serving on Boards referred to in (2) depends upon the classification level of the position to be filled.

[*English*]

NATIONAL DEFENCE—MEAFORD TANK RANGE

Question No. 2,147—**Mr. Noble:**

1. What is the perimeter in miles of the Meaford Tank Range?

2. How many acres of the fringe area of the Tank Range could be used at the present time for recreational purposes?

3. If this area were opened to the public, what would be the perimeter in miles of the remainder of the Range which would have to be fenced to protect the public?

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): 1. Approximately 25 miles.

2. This matter is under investigation now and all that can be said at this time is that there are approximately 25 acres which are considered comparatively safe and these two fringe areas are: A portion of Vail Point, and the Administrative Camp Area and its immediate vicinity.

3. If the two areas in question were cleared and certified safe the following fencing would be required on both sides of the access route plus the area itself; (a) Vail Point—From the junction of the 13th Line and Lower Spring Roads to the beach—4 x 2 — 8 miles, and the area with a perimeter of some 700 to 1,000 yards; (b) Camp Administrative Area—From the Camp entrance to the area along the 9th Line road—$\frac{1}{2}$ x 2 — 1 mile, and the area with a perimeter of some 1,000 yards.

POLLUTION CONTROL DEVICE

Question No. 2,148—**Mr. Aiken:**

1. Has the attention of the Minister of the Environment been drawn to the CTV program "W5" concerning the invention of a pollution control device by George Copeland, and his inability to market it?

2. Has his department any knowledge of this invention and have they been asked to evaluate it?

3. If so, what action has the department taken to support the use of this device?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): 1. Yes.

2. Yes.

3. Individual users will be free to select the systems and devices of their choice to meet the standards for pollution abatement set by the Department of the Environment.

Questions

FAO PROGRAM—TURKEYS

Question No. 2,178—**Mr. Monteith:**

In response to the Invitations to Tender for the FAO program issued by the Poultry Division, Production and Marketing Branch, Department of Agriculture, how many tenders were received for (*a*) Tender No. 1, "The Purchase of Eviscerated Turkeys" dated October 15, 1971 (*b*) Tender No. 1, "Canned Turkeys" dated October 18, 1971 and in each case, who was the successful tenderer and what was the price per case covering the three lots of 500,000 pounds each?

Hon. H. A. Olson (Minister of Agriculture): (a) In response to the Agricultural Products Board invitation to tender on the supply of eviscerated turkeys for delivery to the World Food Program, nine tenders were received in units of 200,000 pounds. (b) In response to the Agricultural Products Board invitation to tender on the cooking, deboning, and canning of these turkeys, ten tenders were received in units of 500,000 pounds.

At this time, the supply of turkeys is being arranged with successful tenderers and contracts are being negotiated for the processing and canning of the product. However, since the entire program for supply and canning operations is on the basis of competitive tenders and contract negotiations are not yet completed, it is not considered in the public interest to announce unit prices or similar details at this time.

SUPPLY AND SERVICES—PURCHASE OF PENCILS

Question No. 2,180—**Mr. McQuaid:**

Has the government awarded a contract recently to Scripto of Canada Ltd. for mechanical pencils and, if so (a) what was the amount of the contract (b) how many mechanical pencils were involved (c) when was the last previous contract for mechanical pencils awarded and for what amount?

Hon. James Richardson (Minister of Supply and Services): Yes. A contract was awarded on October 25, 1971 to Scripto of Canada Ltd. (a) $14,256; (b) 64,800 mechanical pencils; (c) The last previous contract was awarded on January 8, 1971 to Scripto of Canada Ltd. for 57,120 pencils at a cost of $12,566.

SUPPLY AND SERVICES—PACKING CASES FOR TECHNICAL FIELD EQUIPMENT

Question No. 2,181—**Mr. McQuaid:**

Has the government awarded a contract recently to NVF Industries of Canada Ltd. for the purchase of luggage and, if so (a) what was the amount of the contract (b) how many pieces of luggage were involved (c) what type of luggage was involved (d) what use is to be made of this luggage and how will it be distributed?

Hon. James Richardson (Minister of Supply and Services): Yes. A contract was awarded on October 20, 1971 to NFV Industries Ltd., for packing cases for technical field equipment used by survey parties. (a) $11,566; (b) 300 cases; (c) and (d) these cases are used for transporting technical field equipment used by survey parties in the Department of Energy, Mines and Resources.

SUPPLY AND SERVICES—PURCHASE OF PADLOCKS

Question No. 2,183—**Mr. McQuaid:**

Has the government awarded a contract recently to Sargent & Greenleaf of Canada Ltd. for the purchase of padlocks and, if so (a) what was the amount of the contract (b) how many padlocks were purchased (c) when was the last previous contract for padlocks awarded and what was the contract price?

Hon. James Richardson (Minister of Supply and Services): Yes. A contract was awarded on October 27, 1971 to Sargent and Greenleaf of Canada Ltd.; (a) $13,610; (b) 1,000; (c) the last previous contract was awarded on August 19, 1971 at a total cost of $19,849.

KAMOURASKA-L'ISLET COUNTY—LOAN APPLICATIONS TO FARM CREDIT CORPORATION

Question No, 2,194—**Mr. Dionne:**

1. How many loan applications were submitted to the Farm Credit Corporation by the farmers of Kamouraska-L'Islet County in 1969-70 and 1970-71?

2. How many loans were granted each year in Kamouraska-L'Islet County since the inception of the Farm Credit Corporation to April 1971?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises that the for the municipal counties of Kamouraska-L'Islet, the answer is as follows:

		Kamouraska	L'Islet
1.	1969-70	4	12
	1970-71	6	7
2.	1959-60	3	2
	1960-61	1	–
	1961-62	2	–
	1962-63	8	2
	1963-64	8	3
	1964-65	5	8
	1965-66	5	3
	1966-67	17	18
	1967-68	9	18
	1968-69	9	12
	1969-70	4	8
	1970-71	4	3

QUESTIONS PASSED AS ORDERS FOR RETURNS

PUBLIC SERVICE—ALLOWANCES PAID TO OFFICIALS AS A RESULT OF LOCATION IN REMOTE AREAS

Question No. 2,041—**Mr. Orlikow:**

1. In what communities in Canada are extra allowances paid to government officials because they are located in remote areas?

2. What form of classification do these allowances take?

3. What is the amount allowed in each community for each classification?

Return tabled.

NUMBER OF CIVILIANS KILLED AS A RESULT OF TRESPASSING ON NATIONAL DEFENCE PROPERTIES

Question No. 2,066—**Mr. Noble:**

1. How many civilians were killed and how many were injured since 1945 from causes attributed to trespassing on Department of National Defence properties in Canada?

2. Were these properties properly signed and/or fenced to protect civilians from live or hazardous weaponry?

3. Was the Meaford Tank Range involved in any of these accidents and, if so, what were the results?

4. How many of the 17,800 acres comprising the Meaford Tank Range are considered to be target areas and are contaminated with hazardous material?

5. What is the estimated cost per acre to carry out a visual clean-up of the contaminated areas?

6. What is the estimated cost per acre to decontaminate the target areas?

7. Does the Department of National Defence have trained personnel qualified to decontaminate the Tank Range target areas?

8. Could civilians assist in this work and, if not, what period of time would be required to give them the necessary training?

9. How many acres of the Meaford Tank Range are presently safe and accessible?

10. For how many years would the live ammunition remain hazardous if no remedial action is taken?

11. What is the approximate size of Mountain Lake located on the Range?

12. How many miles of Georgian Bay shoreline are within the confines of the Range?

13. What is the value of the buildings on the Range and are they in good repair?

14. What is the value of the water system and is it in workable condition?

15. How many miles of road are there in the Range suitable for travel by "Jeep" or by automobile?

16. Approximately how many acres are wooded?

Return tabled.

NUMBER OF TELEVISION STATIONS IN CANADA

Question No. 2,108—**Mr. Robinson:**

How many TV stations are there in Canada and where is each located?

Return tabled.

NUMBER OF RADIO STATIONS IN CANADA

Question No. 2,114—**Mr. Robinson:**

How many radio stations are there in Canada and where is each located?

Return tabled.

• (2:40 p.m.)

MOTION TO ADJOURN UNDER S.O. 26

REGIONAL ECONOMIC EXPANSION

ALLEGED MIS-SPENDING OF FUNDS

Mr. John Burton (Regina East): Mr. Speaker, I ask leave, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the allegations made in a recent study by the Quebec Federation of Labour that the many millions of dollars of public funds spent by the Department of Regional Economic Expansion have been channelled away from economically depressed areas, have not resulted in a net increase in jobs, and that the department has failed to inform the public about the true impact on jobs of its industrial incentives grants across Canada.

Mr. Speaker: The hon. member for Regina East has given the Chair due notice of his intention to request leave to propose the adjournment of the House for the purpose of discussing the matter stated by him to the House.

In a preliminary way I might say to the hon. member that in my opinion the provisions of Standing Order 26 were never intended to be used as a vehicle for the purpose of airing statements or allegations made outside the House by organizations or people who are not answerable or responsible in any way to this chamber.

It seems to me that the statement made by the hon. member essentially contains a charge of maladministration or of inefficiency in relation to certain programs carried out by the Department of Regional Economic Expansion. Without passing any comment on the substance of the allegation attributed to the Quebec Federation of Labour, it must be said that the House has established not only supply proceedings but also standing committees for the purpose of reviewing the operations of the programs of the several departments of government.

It is my opinion that it would be a grave error to permit the use of Standing Order 26 for the purpose of overriding the well established procedures of this House.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

UNITED STATES PROPOSALS TO EUROPEAN COMMON MARKET RESPECTING MONETARY AND TRADE PROBLEMS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Secretary of State for External Affairs a question arising out of his reference to his having met Mr. Malfatti on the eve of the Council of Ministers' consideration of American proposals for resolution of the monetary and trading problems now facing us. Could the minister indicate very briefly and succinctly what those American proposals are?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I think it would not be for me to reveal what proposals have been made by the United States to the Common Market. I can say, however, that it was a very long list and that the Common Market was rather surprised at the extent of the concessions that the United States wanted from Europe. The European Common Market, like ourselves, is rather uncertain as to the objectives of the United States.

Mr. Stanfield: Is it still the position of the Secretary of State for External Affairs that although the European Economic Commission has received a list of items, a list of proposals from the United States, Canada has received no such list, no such indication of proposals from the United States?

Mr. Sharp: Mr. Speaker, I do not think that has been the position of the government. I have listened to my col-

league, the Minister of Industry, Trade and Commerce, say that the proposals from the United States that have been under discussion have been in the newspapers. They are very well known. A great deal of publicity has been given to them.

Mr. Stanfield: Mr. Speaker, may I ask the Secretary of State for External Affairs what is the proposal of the United States to Canada with regard to the solution of the monetary and trading problems facing it, and particularly what is the proposal with regard to monetary problems?

Mr. Sharp: Mr. Speaker, I was not referring particularly to the monetary problems when I was referring to the statements made by my colleague, the Minister of Industry, Trade and Commerce. If I had been I would have referred, of course, to the statements made by the Minister of Finance who has made it quite plain that Canada believes that the present policy of the Canadian government of having a floating exchange rate meets all the requirements.

Mr. Stanfield: Mr. Speaker, as the Secretary of State for External Affairs has indicated that he discussed the question of multilateral negotiations, can he tell the House what contribution it was indicated to him Canada would be expected to make toward such a multilateral solution? What contribution did the EEC indicate it might expect from Canada?

Mr. Sharp: Mr. Speaker, I did not suggest to the European Common Market what their policy should be in relation to the requests of the United States. Neither did Mr. Malfatti presume to offer me advice.

* * *

THE CANADIAN ECONOMY

STEPS TO MEET THREAT OF UNITED STATES DISC LEGISLATION

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the fact that the President of the United States has signed the bill concerning the DISC plan and the situation is not hypothetical any more, would the Prime Minister inform the House what steps the government intends to take to deal with this threat to the Canadian economy as it exists now?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the hon. member must have noticed, the DISC plan was finally adopted in a form different from the original proposal. We are now looking at the possible effect of the modified DISC plan and we will see in what way we might have to adjust any contingency plans to meet any effect of the modified DISC plan.

Mr. Burton: Can the Prime Minister indicate to the House when the government will be in a position to announce such contingency plans?

Mr. Trudeau: Mr. Speaker, we will want to announce them when we judge the time, in terms of its effect on the Canadian economy, has arrived at which we must announce them.

ESTIMATE OF EFFECTS OF UNITED STATES DISC LEGISLATION—CONSULTATION WITH PROVINCES, BUSINESS AND LABOUR

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, has the government made any estimate of the effect that the DISC program, now that it has been adopted, will have on the Canadian economy, as the government has obviously been studying the various propositions that have been put forward and must have some idea of the effect that these proposals, one of which has been adopted, will have on our economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Industry, Trade and Commerce indicated last week that the effects of the DISC plan would be very varied according to the various hypotheses under which it would be applied. Now that they appear to have cut the effect of the operating aspect of DISC in half, it will probably have half that effect.

• (2:50 p.m.)

Mr. Hees: Has the government been in consultation with representatives of the provinces, business and labour to work out with them the most effective measures that could be adopted by this country to counteract these DISC measures?

Mr. Trudeau: Mr. Speaker, the House knows that we have had meetings with the provinces, business and labour in recent weeks, and we discussed the American measures and their effect on Canada. However, these sectors of the economy do not have to work out their proposals in as concrete and effective a way as the federal government does. Therefore we have been seeking suggestions from them, but I cannot say that they were extremely precise.

UNITED STATES DISC LEGISLATION—POSSIBLE SHIFTING OF PRODUCTION TO UNITED STATES

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker. I should like to know if the government intends to canvass the multinational corporations situated in Canada in order to ascertain their intentions regarding the DISC proposal and if there is to be a possible shifting of production from Canada to the United States? Has the government any intentions in this regard?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I would have to defer to the Minister of Industry, Trade and Commerce who, personally and through his department, has been having consultations with various sectors of industry. I will refer the hon. member's question to him.

EFFECTS OF UNITED STATES DISC LEGISLATION ON AGRICULTURAL EXPORTS AND IMPORTS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Minister of Agriculture. In view

of the decision of the United States to proceed with restrictive trade action under the DISC program, can the minister inform the House whether his department is studying these proposals for their possible effect on export of United States agricultural products to Canada and on our sales to them as well as the over-all effect on trade in farm products between the two countries?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, about all I can say at this time in replying to that question is yes, we are very concerned about this and are watching it very closely. Of course, the Minister of Industry, Trade and Commerce has the primary responsibility in this area.

Mr. Gleave: In view of the statement by the Secretary of State for External Affairs, if I understood him correctly, that discussions had been undertaken in regard to the effects of the tariff on rapeseed going into the United States, are discussions still going on in regard to this particular product?

Mr. Olson: Mr. Speaker, I think the hon. member misunderstood the Secretary of State for External Affairs. He was talking about rapeseed, among other commodities, going to the European Economic Community and not the United States.

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HOUSE OF COMMONS

STATEMENT BY MINISTER OF MANPOWER AND IMMIGRATION REGARDING ADDITIONAL GOVERNMENT POWER—INQUIRY AS TO POLICY

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I ask the Prime Minister if the Minister of Manpower and Immigration was enunciating government policy when he said at Saskatoon, as indicated in a news report, that the government must exercise additional power or more control over Parliament?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, he was perhaps thinking of the motion that the leader of the House was talking to a moment ago.

Mr. Baldwin: Was he also speaking about exercising more control over Parliament, and did he have in mind the Senate as well?

Mr. Trudeau: No, Mr. Speaker. I think he had in mind getting rid of some of the useless backbenchers in the opposition.

Some hon. Members: Oh, oh!

Mr. Fairweather: A Merry Christmas to you, too.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, may I ask a supplementary question on the matter of the Senate and on the exercising of control. Does the Prime Minister approve of the Minister of Finance having had a meeting with the Senate Finance Committee behind closed doors?

Mr. Trudeau: Mr. Speaker, surely the Senate can conduct its business in its own way. If the hon. member wants to have influence there, he must apply at the right door.

Mr. Baldwin: Will any more bribes be offered?

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—SUGGESTED MODIFICATION OF WEEKLY REMUNERATION CEILING

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

As the maximum weekly wages are $100 according to the standards adopted by the department, as the decree of the Quebec construction committee prescribes a much higher salary, as allowances are paid persons taking training courses, in view of unemployment insurance, and as it has become very difficult for the municipalities to comply with the standards, will the minister announce in the near future a change in the maximum weekly wages of $100 which are not sufficient to ensure the worker his livelihood?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the fact of the matter, of course, is that certain salaries in many parts of the country exceed the $100 a week which is the maximum of the grant that can be paid under our local initiatives program. But this is simply an average and it is the maximum which we can grant. That does not exclude the payment of more to specific people within the program. The figure was set at that level in order to try to encourage the creation of the maximum number of jobs, particularly for those with lower skills, and it is doing just that. The flow of applications from people who are obviously able to meet the criteria is such that I see no need to make any change.

* * *

WELFARE

ADVERTISING CAMPAIGN TO EXPLAIN PROGRAMS—ASSISTANCE TO MUNICIPALITIES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Does he propose to undertake an advertising campaign to explain national welfare programs and problems, and why does he feel such a campaign is necessary at this time?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker, we intend to mount such a program which will be more extensive than the one we have at present. I do not find anything unusual in this. I thought that one of the functions of the information services of government departments was to explain government policies to people of Canada. That is what we intend to do in this case.

Mr. McGrath: Mr. Speaker, may I ask a supplementary and perhaps related question. What assistance does the minister propose to give to the municipalities which will have an extremely heavy administrative burden placed upon them this winter in administering welfare under the Canada Assistance Plan as a consequence of the critically high unemployment in this country?

Mr. Munro: Mr. Speaker, one of the advantages of the information program will be to make the Canadian people generally and thereby, of course, the municipalities, aware of the provisions of the Canada Assistance Plan. I am afraid it is true even to this day that the awareness is not as complete as it should be. As a result of the program, I would think that municipalities could apply to the provinces for projects such as work activity projects that must be submitted to the federal government through the provinces in order to create the needed stimulus for employment that the opposition as well as the government desires.

CANCELLATION OF GRANT TO HAMILTON WELFARE RIGHTS ORGANIZATION

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. Can the minister advise the House if he is planning to cut off any additional groups of applicants for welfare simply because they are too outspoken in their demands?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, if the hon. member had examined the reasons for the discontinuance of this particular grant he would not have made such an inane statement.

Mr. Hees: Mr. Speaker, I asked a simple question. Can the minister not answer yes or no?

Mr. Munro: At the moment we do not intend to cut off any further grants. That is at the moment. Some are under review.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, my question is also directed to the Minister of National Health and Welfare. In view of the continued publicity and the general public concern about the cutting off of a $35,000 grant to a poor peoples' group in Hamilton, will the minister now tell the House the true story behind this whole thing?

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HUMAN RIGHTS

RATIFICATION OF CONVENTIONS BY CANADA

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Prime Minister. On Friday, December 10, the anniversary of human rights day, the Prime Minister issued a statement having to do with the submission of a brief by the Human Rights League and the B'Nai B'rith Association, particularly in connection with three important documents that were voted for by Canada in 1966 having to do with human and civil rights. Since there has been a long period of consultation with the provinces over these documents leading toward eventual ratification and signing, could the Prime Minister indicate when we might expect to see some final action taken in this regard? Could he also indicate the procedures that will be taken? In view of the federal nature of the country, our approach might perhaps need to be a little different from the approach other countries might take.

[Mr. McGrath.]

• (3:00 p.m.)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the facts of the matter are that, since Canada voted for these conventions there has been consultation with the provinces and we have asked them to say to what degree they can support the federal government's signature and ratification of the two covenants. Some provinces agreed to go along with the federal government. Other provinces did not agree. We have continued the consultations. The Secretary of State for External Affairs has arranged to have ministers of provincial governments responsible for human rights attend United Nations sessions. We have tried in various other ways to convince the provinces of the importance of permitting Canada, as a federal country, to proceed with signature and ratification of these covenants. The Secretary of State for External Affairs wrote again last month to all provinces to see if they would hasten their acceptance of this procedure. As the House knows, there have been changes of governments in some provinces. Perhaps we will have more success this time around. I will gladly ask the Secretary of State for External Affairs to report to the House in due course.

Mr. MacDonald (Egmont): It might be helpful if the Secretary of State for External Affairs could very shortly make a statement on motions indicating in some detail at least the major objections that have been raised on the part of the provinces, and indicating what procedures might be taken by the federal government in order to achieve the generally desired aim of ratifying and signing these important documents.

Mr. Trudeau: Mr. Speaker, it was not a question of objections in all cases. In some cases they asked for further explanations. In other cases they did not answer. I believe in some cases some provinces refused to concur. As I said, some of these provincial governments may have changed their minds or may have changed themselves. That is why the Secretary of State for External Affairs has renewed his correspondence with them. I do not believe it will be possible at this time to make a statement in any detail about the position of these various provinces. I merely urge that any interested parties put pressure on the provinces rather than on the federal government at this time.

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IMMIGRATION

ROOSEVELT DOUGLAS—POSSIBLE SUSPENSION OF DEPORTATION PROCEEDINGS WHILE APPEAL PENDING—PROPRIETY OF PROCEEDINGS

Mr. Andrew Brewin (Greenwood): My question is addressed to the Minister of Manpower and Immigration. Will the minister instruct his officials to suspend the deportation proceedings pending against one Roosevelt Douglas, who has entered an appeal from his conviction to the Quebec Court of Appeal and has posted $14,000 bail that he will be available at the hearing of the appeal, at least until his appeal has been heard so that this man shall not be actually denied his right of appeal?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I thank the hon. member for giving me notice of this question. I think the proposition that deportation proceedings should be suspended is perhaps an impractical one. However, I can assure the hon. member that in my view deportation proceedings should in no way interfere with this man's ability to appear in connection with his appeal.

Mr. Brewin: Has the minister taken advice from his colleague, the Minister of Justice, as to the propriety of deporting a person who has an appeal pending in the courts in relation to the very offence which is the basis for deportation?

Mr. Lang: Mr. Speaker, I may have to discuss this question with the hon. member. I believe there is a bit of confusion between us as to which appeal we are talking about. I will be glad to take the matter up with him.

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a provocative supplementary question. When will this government cease to use the word "Liberal" to describe itself when situations like this are allowed?

Some hon. Members: Hear, hear!

* * *

POWER

ALLEGED MINISTERIAL PREFERENCE FOR NUCLEAR POWER TO GENERATE ELECTRICITY—GOVERNMENT POSITION ON JAMES BAY PROJECT

Mr. Lloyd R. Crouse (South Shore): I wish to direct my question to the Prime Minister. On page 9 of a speech made by the Minister of the Environment on December 9 he expressed strong preference for the use of the nuclear power to generate electricity. In other words, if there is an alternative, do not dam water to create hydro power. If this is now current government policy, what is the government's policy on the James Bay project? Is the government now against the James Bay project?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister was stating an opinion which is shared by a great many people. I do not think he was stating a constitutional doctrine whereby the federal government would tell provinces what they must do to generate energy. I think he was trying to create a climate of understanding for the future.

PROPOSED JAMES BAY HYDRO ELECTRIC PROJECT—APPLICATION UNDER NAVIGABLE WATERS PROTECTION ACT

Mr. G. W. Baldwin (Peace River): Will the Prime Minister advise if the province of Quebec has yet applied under the Navigable Waters Protection Act or any other federal authority for requisite permission and filed the necessary plans in connection with this project?

Right Hon. P. E. Trudeau (Prime Minister): I doubt it, Mr. Speaker, but I will make inquiries.

MINAS BASIN TIDAL POWER—GOVERNMENT POSITION ON NEGOTIATIONS WITH NOVA SCOTIA AND NEW BRUNSWICK

Mr. J. M. Forrestall (Dartmouth-Halifax East): Will the Prime Minister indicate whether on the basis of this policy or this statement by the Minister of the Environment the thinking of the government is such as to include further negotiations with the provinces of Nova Scotia and New Brunswick with regard to the development of Minas Basin tidal power?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not believe this is under the jurisdiction of the minister. The question should more properly be addressed to the Minister of Energy, Mines and Resources.

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FINANCE

SPECIAL DEVELOPMENT LOAN PROGRAM—CO-OPERATION OF ONTARIO TO EXPEDITE MUNICIPAL APPLICATIONS

Mr. Norman A. Cafik (Ontario): In the absence of the Minister of Finance I will direct this question to his parliamentary secretary. Is it the intention of the Department of Finance to ask the province of Ontario to make a decision urgently regarding municipal use of the $160 million federal-provincial employment loan program?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the government of Ontario is well aware of the necessity of their co-ordinating the grants to permit the municipalities in this province to participate in the program. We hope they will soon take some action to permit the municipalities to enjoy the benefits of the program, but the particular program to which the hon. member was referring does provide for provinces to apply for moneys from the federal government direct for their own purposes, as well as for purposes of lending to municipalities.

Mr. Cafik: Is there anything within the criteria of this program prohibiting the province of Ontario from using this money for its own purposes and thereby not allowing it to be used by the municipalities which so desperately need it?

Mr. Mahoney: Mr. Speaker, the money must go through the province to the municipalities.

* * *

AGRICULTURE

CORN—USE OF EASTERN TERMINAL ELEVATOR SPACE TO STORE SURPLUS

Mr. H. W. Danforth (Kent-Essex): I wish to address a question to the Minister of Agriculture. In view of the fact the minister alleged that one of the principal reasons for low corn prices in Ontario this year was the lack of storage facilities and the market glut during harvest time, will the minister indicate if he has endeavoured to persuade the eastern livestock and feed grain agency to move

this surplus into the space that is available in the terminal elevators in eastern Canada, or is this space held exclusively for the movement of western feed grains?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I can check into the exact dates. Every year, of course, there is some allocation and reservation of space just prior to the closing of the seaway. I believe that early in the season there was no lack of space and no prohibition against that corn moving in there because of the space being reserved.

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PROVINCIAL AFFAIRS

NEWFOUNDLAND—POSSIBLE MESSAGE TO LIEUTENANT GOVERNOR CONCERNING ADVISERS

Mr. Heath Macquarrie (Hillsborough): My question is for the Secretary of State in his normal role as the traditional conduit of communication between the executives of the dominion government and the provincial governments. Since the government of Canada constitutionally has responsibility for the peace, order and good government of the country, has the minister conveyed to the Lieutenant Governor of Newfoundland the message that that hon. gentleman's advisers have lost the confidence of the House of Assembly in that province and that certain actions normally and constitutionally must result therefrom?

Hon. Gérard Pelletier (Secretary of State): No, Mr. Speaker.

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TRADE

MINI-TYPE SUBMARINE—ALLEGED CANCELLATION OF EXPORT PERMIT ISSUED TO INTERNATIONAL HYDRODYNAMICS

Mr. Barry Mather (Surrey-White Rock): In the absence of the Minister of Industry, Trade and Commerce, I will address my question to his parliamentary secretary. Is it true that an export permit for International hydrodynamics of Vancouver to export a mini-type submarine to the Soviet Union has been cancelled? If so, can he say why this cancellation has been made?

Mr. Speaker: Order, please. The form of the question is somewhat defective. In any event, the parliamentary secretary might be allowed to reply on behalf of the minister.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the government is well aware of the importance of this subject to the country and to the company concerned. Normally, the department answers in the House on Tuesdays, Thursdays and Fridays. I will be glad to convey the question to the minister and undertake that a full answer will be provided tomorrow.

• (3:10 p.m.)

CANADIAN CONTRIBUTION TOWARD SETTLEMENT OF UNITED STATES DIFFICULTIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in order to avoid any possible misunderstanding I should like to ask the Secretary of State for External Affairs what the government has in mind by a general settlement as opposed to bilateral negotiation in connection with the United States surcharge. Can the Secretary of State indicate the kind of general settlement toward which Canada is prepared to make a contribution as alluded to in the statement he made to the House earlier this afternoon?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. As the Leader of the Opposition knows, the United States has been faced with a very serious balance of payments problem and therefore took certain actions in order to defend its position. They have been discussing ways of getting out of this difficulty with various countries, particularly with Japan, the European Commission and certain other European countries such as Great Britain, as well as with ourselves. Each of us has been asked to make a contribution toward the solution of this problem in order that the United States may once again resume its posture of multilateralism, get rid of the restrictions it has placed on trade in order to deal with the balance of payments problem to which I have referred, and generally to resume the movement toward freer trade which is so much in our interests.

Mr. Stanfield: Might I ask the hon. gentleman specifically what contribution Canada has been asked to make toward this general settlement?

Mr. Sharp: There have been two kinds of discussions going on, one dealing with currencies. In this respect, as the Leader of the Opposition knows, the Minister of Finance has taken the view that by floating its currency some time ago Canada has already complied with the requirement the United States laid down. The United States has also been asking for certain changes to be made in the trading policies of various countries. Certain requests, which are now under discussion, have been made to us. We are looking at these matters. The Europeans are looking at another group. The Japanese are looking at another. I hope we shall all be able to agree, and that the United States will once again be able to resume its normal posture.

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NATIONAL DEFENCE

INQUIRY AS TO OFFER OF ELECTRONIC EQUIPMENT BY UNITED STATES

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, my question is for the Prime Minister. In view of United States Secretary of State Laird's recent offer of electronic and other sophisticated equipment to NATO countries to counter the build-up of Soviet armed forces in the North Atlantic and the Mediterranean, may I ask whether the President of the United States made the same offer to Canada during the general discussion which took place on this subject as outlined by the right hon. gentleman last week?

Right Hon. P. E. Trudeau (Prime Minister): Make what same offer?

Mr. McIntosh: The offer of sophisticated electronic and related equipment as offered to other NATO countries.

Mr. Trudeau: I would wish to defer to the Minister of National Defence, but there are a great many areas in which there is co-operation in this field and exchanges of scientific and technical information of military importance between our two countries.

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REGIONAL ECONOMIC EXPANSION

ARGENTIA TASK FORCE—REQUEST FOR REPORT

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. It concerns the Argentia task force. In view of the fact that this task force has not met since last May, can the hon. gentleman say whether it is still in existence and when we can expect a report?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I will inquire and report to the hon. member.

* * *

AGRICULTURE

FARM CREDIT CORPORATION LOANS—ALLEGED RIGHT TO SEIZE GRAIN IN LIEU OF OVERDUE PAYMENTS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, this question is directed to the Minister of Agriculture. In view of reported demands by the Farm Credit Corporation for repayment of overdue loans, accompanied by the statement that the corporation has the right to seize grain, and in view of offers made by producers to deliver grain to the Saskatoon office of the Farm Credit Corporation, can the minister say whether space has now been made available for the acceptance of grain in lieu of overdue payments to the Farm Credit Corporation?

Hon. H. A. Olson (Minister of Agriculture): There are no foreclosures being made on loans in Saskatchewan—I checked this a few days ago—unless they are more than four years in arrears. The FCC is not in a position to accept grain. The corporation made the loans in cash and expects repayment in cash.

Mr. Skoberg: Would the minister accept a letter I have on file indicating exactly the opposite of what he has just told us?

Mr. Olson: I would be very interested to see it.

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UNEMPLOYMENT INSURANCE

NEW PROCEDURES TO EXPEDITE PAYMENT OF BENEFITS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I should like to direct the following question to the Minister of Labour. In view of the continuing dissatisfaction expressed by labour groups and working people generally about delay in processing applications to the Unemployment Insurance Commission, often resulting in difficulties for municipalities who find themselves obliged to make welfare payments, will the minister undertake to bring in new procedures to expedite payment of unemployment benefits?

Hon. Bryce Mackasey (Minister of Labour): Despite the fact that we are processing over 98 per cent of the claims on time, within a week or ten days I shall be announcing procedures which I believe will help to alleviate the situation further. These will take effect about the middle of January and will permit us to pay claims at least a full week sooner than the law obliges us to do.

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EXTERNAL AFFAIRS

EAST GERMAN REPUBLIC—POSSIBLE RECOGNITION BY CANADA

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Is the government of Canada carrying on negotiations with the East German Republic with a view to giving diplomatic recognition to that state?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

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GRAIN

ESTABLISHMENT OF PERMANENT MARKET INTELLIGENCE SERVICES IN UNITED KINGDOM AND EUROPEAN ECONOMIC COMMUNITY

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a question to the minister responsible for the Wheat Board. Since the European Economic Community and the United Kingdom comprise the largest cash market for imported grain in the world, has Canada established a permanent market intelligence service in those countries to help sell Canadian grain?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Our market intelligence service is already established in a number of countries all over the world. It includes the trade commission offices which perform a very valuable service. The Canadian Wheat Board itself has permanent representatives in London.

Mr. Murta: I should like to ask the minister whether there is to be any positive move in the near future to establish marketing information and promotion posts on a permanent basis in the countries I have mentioned?

Mr. Lang: I have indicated that these are already established, so I do not know how I can answer that.

Inquiries of the Ministry

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—TIME OF ANNOUNCEMENT OF GOVERNMENT POLICY

Mr. Doug Rowland (Selkirk): Mr. Speaker, I should like to ask the Prime Minister whether he is now in a position to tell the House when we may expect the government's policy on foreign ownership to be tabled or brought to our attention in some appropriate manner?

Right Hon. P. E. Trudeau (Prime Minister): I have had no report from the Minister of National Revenue since I last mentioned this matter to the House.

Mr. David MacDonald (Egmont): Some weeks ago when I asked the Prime Minister the same question the right hon. gentleman indicated that within a week or ten days he would let the House know when a statement might be expected. Since he has now had an opportunity to meet with President Nixon and with the government of Ontario, can he tell us whether he is likely to be in a position to make a statement in the House before Parliament adjourns for the Christmas recess or before the end of the year?

Mr. Trudeau: That is the essence of the matter. On the last occasion I said in the House that I had discussed this matter with the Minister of National Revenue but it was not certain then that the editing, translation and publishing would be completed before Christmas. I do not know whether it will be published while the House is still in session or whether we shall wait for the new session; it would depend on the time at which the House leaders can agree to terminate this present part of the session and when we shall be sitting again.

[*Later:*]

Mr. MacDonald (Egmont): I have a supplementary for the Prime Minister. Having regard to the internal difficulties which he seems to be encountering, may I ask whether the right hon. gentleman has consulted with the cabinet with a view to leaking all the documents so that they can be before the public very quickly?

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[*Translation*]

FINANCE

SPECIAL DEVELOPMENT LOAN PROGRAM—REQUEST FOR ADDITIONAL CREDITS FOR QUEBEC MUNICIPALITIES

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, since the Minister of Finance is absent, I shall put my question to his parliamentary secretary.

Since the Quebec government has won the main prize of $63 million loaned by the federal government to the province and since there is nothing left for municipalities, would the Parliamentary Secretary be in a position to say if additional funds might be allocated in order that Quebec municipalities be able to carry out their works program?

[*English*]

Mr. P. M. Mahoney (Parliamentary Secretary to the Minister of Finance): I shall look into that and have the minister respond to the hon. member at a later date.

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HEALTH

FAMILY PLANNING SERVICES—PROVISION FOR SHARING COSTS WITH PROVINCES

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Has the minister made specific cost-sharing proposals to the provincial governments for the delivery of family planning services?

Hon. John C. Munro (Minister of National Health and Welfare): There is already provision for such cost-sharing under the Canada Assistance Plan. I believe some provinces have taken advantage of it for some time.

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• (3:20 p.m.)

DRUGS

INQUIRY AS TO FINAL REPORT OF LE DAIN COMMISSION—POSSIBLE INTRODUCTION OF LEGISLATION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. In light of the alarming reports of the extent of heroin use in Canada and reports of pending government initiatives in combating heroin, can the minister inform the House when the Le Dain report will be made public?

Hon. John C. Munro (Minister of National Health and Welfare): I cannot, Mr. Speaker, other than to say that the chairman indicated to me that it will be several months before he will have the entire report ready.

Mr. Yewchuk: Is the minister considering presenting legislation in the next session before the report on the non-medical use of drugs is tabled?

Mr. Munro: Mr. Speaker, no specific legislation is in mind at the moment, though that situation could change. As the hon. member is aware, there are many avenues for government action to cope with the mounting concern relative to drug abuse in Canada, other than legislation, and this type of action is now being taken by my department.

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REGIONAL ECONOMIC EXPANSION

UNEMPLOYMENT—GOVERNMENT ACTION TO ALLEVIATE IN CERTAIN AREAS OF QUEBEC

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of

Regional Economic Expansion. In view of the very high levels of unemployment and the serious threat of further massive lay-offs this winter in Shawinigan, Trois-Rivières and other communities in that part of Quebec, what steps is the government taking to alleviate this situation so that these people will not have to leave their homes in order to try to find employment?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): I believe, Mr. Speaker, that the government announced not long ago certain measures to increase the employment level. I further believe that a distinction should after all, be made between the general policy of the government in the economic field and the activity of the Department of Regional Economic Expansion, which, of course, can be affected by the general policy, but which has so far been very effective.

[*English*]

[*Later:*]

REQUEST FOR STATEMENT ON ALLEGATIONS BY QUEBEC FEDERATION OF LABOUR CONCERNING USE OF DEPARTMENTAL FUNDS

Mr. John Burton (Regina East): Mr. Speaker, my question is supplementary to the one asked by the hon. member for Winnipeg North Centre. In view of the revelations made by the Quebec Federation of Labour that the industrial development strategy of the department channels public funds away from the most depressed areas, among a number of other charges, would the Minister of Regional Economic Expansion be willing to make a statement on motions at the earliest possible date dealing with the various points that have been raised?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the report of the Quebec Federation of Labour, in this regard, is at best political propaganda because it has no founding, either at the economic level or as concerns the carrying out of our programs.

[*English*]

REQUEST FOR TABLING OF ANALYSIS OF PROJECTS

Mr.John Burton (Regina East): A further supplementary question, Mr. Speaker. Would the minister consider tabling his own or the department's analysis of the impact of these projects so that we might give them adequate consideration?

[*Translation*]

Mr. Marchand (Langlier): Mr. Speaker, if the hon. member wanted to do his duty he could see every month that the funds of the department are expended in underdeveloped areas, and not in the big cities.

[*English*]

Mr. Burton: A question of privilege, Mr. Speaker.

Mr. Speaker: Order. The hon. member for Regina East is rising on a question of privilege.

Mr. Burton: Mr. Speaker, I have read every monthly report the minister has published and they fail to shed one ray of light on what the department is doing.

GRAIN

CORN—INQUIRY AS TO ANNOUNCEMENT ON CONSTRUCTION OF STORAGE FACILITIES

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. In view of the fact that time is so important and representations have been made to the government regarding increased write-offs on construction of storage space for grain, particularly corn, would the minister say when an announcement can be expected in this regard?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I cannot give the exact date that an announcement will be made, but I can tell the hon. member that we are working on the matter very actively and that I hope it will be soon.

Mr. Speaker: Orders of the day.

• (3:30 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Friday, December 10, consideration of the motion of Mr. Benson for the third reading of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, and the amendment of Mr. Lambert (Edmonton West) (p. 10363) and the amendment to the amendment of Mr. Burton (p. 10370).

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I was sorry not to be in the House on Friday when the Minister of Finance (Mr. Benson) spoke on the third reading of the tax bill.

Mr. Mahoney: Where were you?

Mr. Ricard: None of your business.

Mr. Stanfield: I am happy to see hon. members opposite taking a great interest in my whereabouts; that is very encouraging. I understand that I missed an interesting performance in this House. At least one commentator, whose report I read over the weekend, accused the Minister of Finance of indulging in a certain amount of bullying. With all due respect, I would disagree with that commentator having now read the minister's speech. The minister may have felt that he was being tough and ruthless but, after all, if you are going to be that you must have something more going for you than just a parliamentary majority. You have to have some arguments as well; you must have at least a little logic on your side. If you do not have that on your side, then all the bluster in the world will not help you very much.

This is why, being as charitable as I can, I would describe the minister's performance really as an exercise in desperation. He spent, of course, very little time praising the bill, and I do not criticize him for that.

An hon. Member: Are you going to tear it up too?

Mr. Stanfield: Unfortunately, Mr. Speaker, the physical damage that this bill can do is one of its least dangers. I really did not expect the minister to spend very much time defending a bill of this sort. Rather he took it upon himself to attack the critics of the bill. Instead of upholding the government, he undertook to denounce the opposition. That surely is as clear an indication as any that this bill is being foisted upon the House and the Canadian public, not because of any intrinsic merit but rather because of its political significance.

I thought the minister felt constrained to make a rather bitter speech on Friday because it seemed to him to be the natural thing to do under the circumstances—to lash out in all directions. He was speaking not so much as Minister of Finance of Canada as he was as defender of the political image of his party. As a taxpayer, I might be rather upset at the attitude displayed by the Minister of Finance on Friday. But as the Leader of the Opposition in this House, I cannot complain at all. On the contrary, I ought to welcome the minister's attacks because they show more clearly than anything else that this bill is being pushed through now not because of any economic, human or social need, but because the government needs a political face-saving device, and this bill is it. This government feels the need to prove to its supporters and to its backbenchers that after a long series of failures it can get something through this House, and this is the way it is doing it. It does not matter that by the admission of its sponsor the bill is in a very unfinished state. He recognizes and admits that it will be subject to many more amendments.

It does not matter, Mr. Speaker, that much of this bill is a mystery. Their attitude is to push the bill through and let the taxpayer figure it out. That may be a rather sick attitude but when you are determined to make a political point, as this government obviously is, that is a secondary matter. Sir, what is going on now in this House, the proceedings that are being followed and the bill which will come out eventually, is not a defeat for the opposition but a defeat for the Canadian people and the Canadian people will not forget.

Some hon. Members: Hear, hear!

Mr. Stanfield: The minister says that the bill could not be split for purposes of proclamation because this might cause some confusion for the people charged with the administration of the tax law. I concede that, Mr. Speaker; I concede, too, that it might cause some uncertainty in the minds of the taxpayers but what about the confusion that most of this bill is going to engender among the taxpayers of Canada? What about the confusion and uncertainty that this government has already caused? I do not want to add unnecessarily to the burden of any civil servants, but if I must choose between doing that and foisting on the public a bill as confused, as complex as this one presently is, then I have no difficulty making the choice.

Early in the year the Minister of Finance said and I quote, "Tax reform will come into effect on January 1, 1972, no matter what".

Some hon. Members: Oh, oh!

[Mr. Stanfield.]

An hon. Member: When did he say that?

Mr. Stanfield: I am quoting the Minister of Finance.

Mr. Mahoney: A headline in the *Financial Post.*

An hon. Member: That is from Colin Brown.

Mr. Stanfield: Don't get too excited now, boys. All the minister did was forecast exactly what hon. gentlemen opposite were going to do eventually—put it through, come what may. The minister referred to some comments that I made earlier in the year about the necessity of getting rid of uncertainty in order to restore some confidence in the economy and that was right, Mr. Speaker. Certainly, there was a need to restore confidence.

If the hon. gentleman opposite wants a pulpit he can have one in a few minutes.

An hon. Member: He lost that.

Mr. Osler: Give us the source.

Mr. Stanfield: Mr. Speaker, there is no question about the importance of removing uncertainty as far as the economy is concerned. There is no doubt about that at all. But it is going a little far when the Minister of Finance introduces a bill which hardly anybody in the country understands, pretends that he has removed the uncertainty, and then says I have no right to complain about that uncertainty because he is insisting that the bill go into effect on January 1 next.

Mr. Osler: On a point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Winnipeg South Centre rises on a point of order.

Mr. Osler: It would seem to me, Mr. Speaker, that having had a quotation repeated over and over again, the House is entitled to the source.

Mr. Perrault: You have to withdraw it unless you do.

Mr. Speaker: Order, please.

An hon. Member: Just because the boss is in the House and you want a promotion—

Mr. Stanfield: In a speech on Friday last, the minister made much of the fact that we on this side of the House had agreed that the legislation before us is not as bad as the original white paper on tax reform. That is true, but it is praising this bill with very faint praise. Certainly, we cheered on this side of the House when the government retreated from the white paper, but I must say that neither we nor hon. gentlemen opposite expected the white paper to be replaced by this. What we have to remember is that evidently the same people who drew up the white paper were involved in drafting this bill. Given their ideas, as exemplified in the white paper, I do not blame them personally at all but their involvement in the present bill surely makes it all the more urgent that those of us with other ideas should examine this bill as closely as we can, clause by clause, to make sure that the proposals that have been pushed out by the front door do not get in through the back door.

Mr. Forrestall: That is what is happening.

Mr. Stanfield: We fought the white paper from the start, Mr. Speaker. We are fighting this bill in part for the same reasons, but in part because not one of those members over there who are making so much noise right now and nobody in this House, understands what is in this bill. Indeed, few people, if any, in the whole country understand this bill. We are fighting it because it is a confusing piece of legislation which, far from clearing up the tax jungle, only makes it deeper and darker than before. We are fighting it, too, because in many cases it is unjust. It is true that the government made some eleventh hour changes with regard to co-operatives and credit unions, but would those have been made if the bill had not been fought by the opposition parties? When the government House leader announced his intention to impose closure he also announced that amendments to this bill would be introduced.

There are still other injustices, Sir, such as the injustices to farmers which the amendment moved by the hon. member for Edmonton West is intended to correct. There are also injustices to small businessmen and others. We are fighting this bill because regardless of how the minister preens, there has been no agreement or understanding with the provinces on how the Canadian taxpayer is going to be taxed by both levels of government. There is still confusion on how the provincial structures will fit in with the proposed federal structure, if I may refer to this bill in such a euphemistic way. The province of Ontario has its own corporate income tax, and the province of Quebec has its own corporate and personal income tax, while the province of Nova Scotia has a collection agreement and has gone along with federal taxation.

Mr. Mahoney: So has Ontario.

Mr. Stanfield: So has Ontario with regard to personal income tax but not with regard to corporation tax, Mr. Speaker. We are being asked to allow this government to run this bill through the House with no assurance at all—

An hon. Member: After three months.

Mr. Stanfield: —on what the Canadian taxpayer will have to face. While this may be personally satisfactory to the Parliamentary Secretary to the Minister of Finance, it is not satisfactory to me nor will it be satisfactory to the Canadian taxpayer.

Mr. Baldwin: Nor to his constituents.

Mr. Stanfield: There is still confusion as to estate taxes and succession duties. I think it is agreed that if we are to have a capital gains tax, there must be adjustments in estate taxes and succession duties. The Minister of Finance has simply left this to the provinces. There has been no understanding reached concerning what the government is to have in the way of succession duties on top of the capital gains tax proposed in this bill. Yet, that does not slow down this government at all in its effort to ram this bill through the House, again leaving the taxpayers confused and in a tax jungle.

• (3:40 p.m.)

An hon. Member: Read the bill. You never read it.

Mr. Forrestall: Read the Magna Carter over again.

Mr. Osler: How long would you wait for the provinces to agree?

Mr. Stanfield: Mr. Speaker, the hon. member asks how long I would wait. If I were the Minister of Finance of this country and wanted to introduce a capital gains tax, recognizing that the capital gains tax and the succession duties were to be integrated, I would at least try to achieve that result and would not use closure to force it through the House.

Furthermore we oppose this bill because much of it is at best irrelevant to the current problems in Canada. While the government has been taking up the time of the House in past months, what has it outlined to curb unemployment and straighten out our trade relations with other countries?

Mr. Hees: Nothing.

Mr. Stanfield: That is right. The hon. member for Prince Edward-Hastings correctly said "nothing". Judging from the performance of the Secretary of State for External Affairs (Mr. Sharp) when he was questioned about the attitude of Canada toward working out a solution of the so-called surtax problem, the government has not only not done anything but apparently is not very much aware of what is going on. While the government is taking the time of this House week after week after week with this bill, what does it have to say about a strategy for economic development which is so crucial to our country? Once again the answer is clear—nothing positive. We are fighting the bill because the best thing that can be said about it is that much of it is irrelevant to our current Canadian political priorities and economic priorities.

I am afraid that much worse than that will have to be said about the bill. It will constitute a dangerous curb on Canadian initiative and on the incentives which stimulate economic growth. We are continuing to oppose the bill on third reading because we have heard nothing during the debate so far that would make us change our minds about the serious drawbacks in it. On the contrary, the political act in which the government has indulged in bringing in closure has convinced me more than ever that we were right to insist upon debating this bill thoroughly and are right now, since the debate has been cut off or limited, in opposing the bill, particularly since the government and its supporters insist on ramming through a bill which not one of them even pretends to understand. As will be clear, I do not always agree with hon. members opposite, but I must say that the hon. member for York North (Mr. Danson) seemed to express our attitude pretty well over the weekend—at least as he was reported in the press. I say that advisedly because I do not want to attribute something to him that the press may or may not have reported accurately.

When the hon. member for York North says that this bill is not tax reform at all, I believe we all agree. When he was reported to have said that there is no way in which you can have a reasonable tax payment if you do not know what your economic goals are, I agree with that, too. Then he went on to say that the government has no economic goals—that statement is attributed to him by the press—and that it was supplying piecemeal tax legislation, a piecemeal approach to the Competition Act and pre-

sumably a piecemeal attack on the problem of foreign ownership. I agree. This is what we have been attempting to tell the government for months. I wonder how many government supporters feel the same way.

Mr. McBride: On a point of order, Mr. Speaker, when the Leader of the Opposition referred to the hon. member for York North, I wonder whether he intended to refer to the hon. member for York Simcoe (Mr. Roberts).

Mr. Stanfield: Mr. Speaker, there are so many hon. members disagreeing with the government these days that it is difficult to keep them straight. I will be happy to accept the correction of the hon. member for Lanark. I think it was the hon. member for York Simcoe. I thank the hon. member for his helpful correction. I will be happy to receive any correction from him at any time that is helpful. I submit that the point is made very effectively by the hon. member to whom I have referred.

An hon. Member: Why don't you quote Hees?

Mr. Hees: He has.

Mr. Stanfield: If you do not know what your economic goals and your economic strategy are, then you do not have an effective tax reform. I wonder how many other members do not support the government and agree with the hon. member for York-Simcoe. If some hon. members do, I think they should have the courage to tell this House and the Canadian people what they think of this legislation. On behalf of the Canadian people, and on behalf of the Canadian economy, I ask and indeed I challenge them to do so without any further delay.

One of the most incredible things about this legislation is that even while it was being jammed down our throats and the throats of the Canadian people, the government blandly announced it intended to make even more changes. Part of the reason for this, of course was to head off the Senate at the pass. I suppose the minister is secretly conferring with the Senate now, but that is for them to deal with and not me. Sure, there are going to be lots more amendments to this bill. More were announced or indicated, as I say, even after the minister introduced the discussion on thrid reading of the bill, following the use of closure at the committee stage and the indication that closure would be used at the third reading stage. How much further can the government go in showing its contempt for its own supporters in the House, and how much further can the government go in showing its contempt for the law itself?

Of course, there will be many more amendments to this bill but the Minister of Finance in defending himself says we will not know how much this bill needs to be changed until we try it out on the Canadian people. Can you imagine that! The Minister of Finance Justifies pressing ahead with the bill, with all the amendments that have had to be made, despite the fact that nobody understands many of the provisions of the bill. He justifies it on the basis that we will not know what amendments need be made until we try it out on the Canadian people. Well, sir, there you have the Minister of Finance unintentionally summing up the government's whole attitude toward the Canadian taxpayer who is to be a guinea pig to be used as the government may see fit.

• (3:50 p.m.)

Some hon. Members: Hear, hear!

Mr. Stanfield: The government has charged those of us in the official opposition with practising obstructionism. The minister carefully excluded us, the Progressive Conservative Members of Parliament, from the fulsome thanks he gave to just about anybody else within a ten miles radius of his voice last Friday. I may say that I was grateful to the minister for excluding us from his praise, because I would have been embarrassed if he had graced us in any way. But I must say that since we played some part in forcing the government to back away from much of the original white paper, I do not think that was any mean contribution that we made to tax reform in this country.

Some hon. Members: Oh, oh.

Mr. Stanfield: They seem to be rather excited, Mr. Speaker. If they were a little less excited about what I am saying, and a little more excited about treating the Canadian taxpayers carefully, they would be a little more justified in remaining the government of this country.

Some hon. Members: Hear, hear!

Mr. Stanfield: I can certainly do without the thanks of the Minister of Finance. I certainly prefer to have the thanks of Canadian people when the Canadian people realize how we fought against the birth of this monstrosity which, apparently, will occur on January 1.

Mr. Olson: Are you against the tax cuts, also?

Mr. Stanfield: Well, well. There is my friend, the Minister of Agriculture (Mr. Olson), back in the House.

Mr. Forrestall: He is leaving us shortly. Don't be hard on him.

Mr. Danforth: He does not know any more about taxes than about agriculture.

Mr. Stanfield: The Minister of Finance has no justification for rising in the House and talking about obstructionism in connection with a bill—

Mr. Mahoney: He really got to you.

Mr. Stanfield: —to which 97 amendments were introduced on October 22; on October 29, 28 more amendments were introduced, and on November 16, 8 more amendments were introduced, some of them amendments to previous amendments. Then, the government House leader gave notice of further amendments when he introduced notice of closure. When the Minister of Finance made a speech on Friday, he indicated half a dozen areas in which further amendments will be needed. Yes, we have the absurdity of the Minister of Finance charging obstructionism under these circumstances. When one considers how much worse the bill would be than it is today if the government had not been forced to consider some of these matters, I think that the time has been very well spent indeed. The only thing we are trying to obstruct is the government's mad haste to put through, for strictly political reasons, a measure that in its totality can only

hurt much of the Canadian economy and further confuse and complicate the lives of millions of Canadian taxpayers.

Some hon. Members: Hear, hear!

Mr. Stanfield: We made it clear from the start—and I speak now through you, Sir, to the wide open ears of the Minister of Agriculture—that we welcomed parts of the bill such as, for example, the improved exemptions and assistance for the aged. I can take the minister through quite a list of things that we would be prepared to pass very quickly.

Mr. Baldwin: We suggested it first a year ago.

Mr. Hees: We have been pressing and pressing for it.

Mr. Stanfield: What we want is something quite different from the aims of the present government. What we want is to have reform recognize the importance of the spirit of initiative and that this be the main source of economic growth in the country. What we want from tax reform is clear recognition that a prosperous and growing economy is, in the last analysis, the only way to ensure social justice. It will not ensure social justice by itself but it is a necessary foundation for social justice. The greatest social priority in Canada today is jobs. Nobody doubts that, following the statements contained in the report of the Economic Council of Canada. May I say to the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) that the greatest achievement of the government he supports has been the creation of massive unemployment.

Mr. Ricard: Your Minister of Labour (Mr. Mackasey) even said it took courage to do that.

Mr. Stanfield: According to the hon. member for Lanark-Renfrew-Carleton, the unemployment shown by the statistics is just imaginary, and the only trouble is that there are too many people looking for work.

What we want from tax reform is, among other things, the recognition that some social traditions, one of them being the family farm, should be protected and not destroyed.

Mr. Ricard: We have been telling you that for years.

Mr. Stanfield: What we want from tax reform is something that takes account of the priorities that we shall be setting ourselves as a country in the coming years, including the development of an industrial strategy, which we do not have, which the government does not have, and which the government does not know how to develop. That is what we want from tax reform. The trouble with this government is that someone programmed it back in 1968 in accordance with what someone deemed to be the priorities in 1968. The government has been on the same program ever since, and this has resulted in disaster to the country and in the government being completely unable to respond to the difficulties and the priorities that have faced this country.

Mr. Osler: You said we did not have a program.

Mr. Stanfield: The government had a disastrous program. A minute ago I gave the government credit for creating massive unemployment. That was part of its program. Because of the importance of tax reform being related to the goals of the country, we remain opposed to a measure that is described as a tax reform bill, the only result of which is to complicate things. We will continue to ask the government to split the bill, and we ask members of all parties to support this request. We have asked, and continue to ask, that the bill be amended so as to take into consideration the problems of the farmers in this country. Therefore I ask members of all parties to support the amendment of the hon. member for Edmonton West (Mr. Lambert).

• (4:00 p.m.)

Sir, let me simply say in closing that what we are up against is a question of whether we are going to implement a tax policy which is designed to encourage the people of this country to meet the economic priorities of this country or whether, on the other hand, the people who drafted this monstrosity are going to have the personsal satisfaction of seeing it rammed through this House with disastrous consequences to this country.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, as a member of the Committee on Finance, Trade and Economic Affairs which worked very hard studying the white paper on fiscal reform and preparing recommendations, I am pleased to participate in the debate and to congratulate the hon. Minister of Finance (Mr. Benson) who availed himself of several of the committee's recommendations when drafting Bill C-259. I was proud to be on that committee, although its members had to sacrifice a whole summer for the benefit of all Canadians.

Friday, when I was in the House, we heard the remarks of representatives of the three opposition parties, namely the hon. member for Edmonton West (Mr. Lambert), the hon. member for Regina East (Mr. Burton) and the hon. member for Shefford (Mr. Rondeau).

The speech of the hon. member for Shefford was, in my opinion—I regret that he is not here—vacuous and insipid.

In case I might have misunderstood his speech, I read it again this morning, but unfortunately it leaves no room for doubt. Allow me to explain.

The speech was in two parts. In the first part, the hon. member for Shefford gave us the same old story, and in some cases misinterpreted the bill before us. In the second part, he quoted the editorial of the November 1971 issue of the journal of the Canadian Institute of Chartered Accountants entitled "On the brink of fiscal disaster". And I noticed on page 10,372 of *Hansard* that the hon. member for Shefford attacked me personally—I quote:

I would rather trust the Chartered Accountants Association than a single accountant who has to follow the steam-roller.

Now, if by "single accountant" the hon. member for Sheffort means an accountant who is a member of an association, I have no objection to his saying so. However, If he wants to imply that I lack ability, I will reply to him, a weak minded, that he lacks the good sense to be able to determine if a chartered accountant is competent or not.

He pointed out the last paragraph of an editorial that suggests that hon. members take the course given by the CICA on tax reform. Well, CICA members—and I commend them for it—came here to give a full day's course to hon. members and that, at their own expense. I do not recall having seen a single Creditiste member attend this course. Where were they? How interested are they in this bill? How can they understand it, since they don't even go to the official information sources, which is not a partisan source.

This morning in the Montreal *Journal* I read that Creditistes sent a letter to the editor, Mr. Jacques Guay. A biology professor of the d'Iberville polyvalent school in Rouyn, said this:

> You say loud and clear what many people think of Caouetteism, specially us in the north who are stuck with such a cave-man. You take sides with a good many of us who do not dare attack the "fuhrer" for fear of reprisals. You know that in small towns, everybody knows everything; our Réal has informers everywhere, his own little Gestapo.

Mr. Robert Gobeil, on de Maisonneuve Street, Montreal, has this to say:

> Mr. Caouette said that in Canada we are free to write anything but should he ever become Prime Minister—we would surely have our own little Pravda, because a reactionary party such as his, that advocates the death penalty as a deterrent against crime, would be forced to abolish the freedom of speech to remain in power—

There are other quotations. I do not think they are very relevant, but nonetheless I wanted to point out to Creditistes that they do not have the monopoly of truth in the province of Quebec and that in the next election, of course, they will have trouble getting one or two members elected.

Recently, the Minister of National Revenue (Mr. Gray) made a speech at the conference of the Canadian Tax Foundation and explained the steps taken by the department for the application of the new bill. He especially mentioned that the administration had been reorganized within the department itself, that an advisory tax committee had been created, that two new publications had been started: the information circular and the interpretation bulletin. Further on, in a spirit of open-mindedness he said, as recorded on page 14 of his speech, and I quote:

> Therefore, in order to facilitate a smooth transition to the new rules, we have decided to agree to all requests received by the department to have a current fiscal year period end in 1971, provided they are made before December 31, 1971.

The CICA editorial dealt precisely with the problem which might arise should the department be unable to grant a longer period to accountants, to tax advisers, to all those closely interested in the question so that they may have time to digest the new complexities of the bill and to advise their clients. Especially as far as undistributed income on hand existing at the end of the fiscal year 1971 is concerned, it would seem that profit derived during a fiscal year prior to December 31, 1971 would not be taken into account in the undistributed income for a differed tax payment of only 15 per cent. If that is the case the department could, at this moment, give accountants and tax experts some more time to determine whether they should advise their customers to alter their fiscal year. At present, it takes quite a while to review the records and it seems to me that perhaps it would be advisable to allow some more time.

• (4:10 p.m.)

Of course there would be another possibility: one could perhaps interpret a section of the bill in such a way that the amount of profits accrued up to December 31, 1971 would be spread on a daily basis, even if the fiscal year differs from the calendar year, as they do for income tax purposes. If the present situation continues, if there is no rectification, there could be discrimination against small businesses which do not have, on a daily basis, the services of advisers to tell them what they should do in the future in the light of the changes proposed in the bill.

The member for Regina East defined quite well the philosophy of his party, with which we cannot agree. I noticed that he attacked the parties of the opposition, especially the Progressive Conservative party. I therefore told myself that as the parties of the opposition cannot agree, it is a good thing that a time limit has been set for the debate, otherwise it would have gone on indefinitely.

A limit has also been set for third reading of the bill. This should be done more often. The people of Canada have the right to expect us to do something here in Parliament. But, when there is an abundance of speeches, as was the case with Bill C-176, we do not produce. So, since we have that tool at our disposal, we should use it more often, as does the British Parliament besides.

Obviously, I am against the amendment to the amendment moved by the hon. member for Regina East, not because it clarifies a point contained in the amendment moved by the hon. member for Edmonton West, but because the hon. member supports the principle that the bill should be referred back to the committee of the whole. If that amendment were adopted, chaos would prevail in this country, because businessmen have made plans taking into account the bill now under study and the tax experts, who have been working on it since July 15 or thereabouts, have spent a lot of money to understand the full scope of the proposal. Therefore, as the people expect it, this bill should come into force on January 1, 1972, as expected.

Hon. Marcel Lambert (Edmonton West): Will the province of Quebec be ready?

Mr. Leblanc (Laurier): The hon. member for Edmonton West often refers to the co-operation of provinces and especially of Quebec. I have already answered a point which he had raised in that connection.

Now, perhaps there is fact of which he is unaware and I would like to let him know that for over three weeks, the Department of National Revenue has been giving courses to Quebec tax inspectors. Those people have been sent to Ottawa to study the effects of the bill and to make recommendations to the provincial authorities, if necessary.

I had the opportunity of meeting three of those provincial tax inspectors in my office Wednesday night after the committee of the whole had completed consideration of the bill. They told me that they had undertaken their third week of the course and that chartered accountants of other provinces were also attending them.

I think that it is an example of co-operation between the federal and provincial governments. Moreover, I cannot see at all why it is suggested that there has been no co-operation between the provinces.

Indeed, the Minister of Finance has declared in his speech that he has approached several times his provincial counterparts in order to discuss Bill C-259.

Mr. Lambert (Edmonton West): Would the hon. member allow a question?

Mr. Leblanc (Laurier): Yes, Mr. Speaker.

Mr. Lambert (Edmonton West): Would the hon. member assure me that Quebec Finance Department officials can exert enough influence on that province's government to persuade them to amend their corporate income tax legislation so that some common basis may be found to the provincial and federal legislations?

Mr. Leblanc (Laurier): Mr. Speaker, if the provincial authorities would delegate their representatives to Ottawa to consider the effects of Bill C-259, I am convinced that they will be provided with some authority and will later on submit reports on the studies they have made. These reports would pave the way for the amendment of Quebec's tax legislation in the same manner as the report of the committee on finance, trade and economic affairs has helped to prepare Bill C-259.

I do not, of course, understand the arguments of political opponents who object to this bill when more than one million taxpayers will be struck off the tax rolls as from January 1, 1972 and another five million will pay reduced taxes. I fail to understand how they will be able to explain that to six million Canadians.

Mr. Lambert (Edmonton West): You are very far from the truth.

[*English*]

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, since I am one of those useless backbenchers the Prime Minister (Mr. Trudeau) mentioned during the question period, I do not know whether I should take part in the debate on this tax bill. However, I take comfort from knowing that I count for something. I come from a part of the country where everyone is considered to be important. I share that feeling. Therefore, the Prime Minister's statement did not bother me too much. Perhaps on the other side of the House my view of the importance of the backbencher is not shared by hon. members. If hon. members on that side think that the backbencher is not considered to be important, they should do something about it.

Mr. Benjamin: Especially since they know they will soon be on the opposition side of the House.

Mr. Thomson: Of course, the Prime Minister may have expressed his feeling about backbenchers on his own side of the House. He does not have to worry about them very much.

One of my reasons for wanting to speak on this bill, and I will only talk about two items, is that I represent, hopefully, the common people, the average men of my constituency. As I said earlier, the average man of Canada is important. I should like to convey to the parliamentary secretary some of the fears of average men. Some of them are afraid of some parts of the bill. The Leader of the Opposition (Mr. Stanfield) and others in the House have already dealt fully with the over-all picture. Speaking as a farmer, I suggest that farmers are concerned, as is logical, about how tax changes with regard to basic herds will affect them. Of course, I am talking about basic herds of cattle. Being a farmer, I know something about the concept of the basic herd. I tried at one time to establish a basic herd, but I never did. It was so difficult that I gave it up. Nevertheless, the principles involved here are important, because most farmers establish their basic herds when they are young and their earning power is not high. They scrimp and save money from their small incomes to establish this basic asset. Later, when they wish to dispose of this herd, they are a bit richer. Hopefully, their income position has improved by that time. Therefore, when they sell these cattle, they must pay income tax at a much higher rate than they would have paid if the herd had been sold previously. Logically, I say, that is unfair.

That is how I feel, and I hope the parliamentary secretary will recognize this particular problem. I do not suggest that the solution is easy, and I do not suggest that the basic herd concept, as such, should necessarily be retained. However, I think we should recognize the principle that the basic herd is, in a sense, a depreciable asset, or that it can be established as a depreciable asset. We have failed to impress this on the government and, by allowing things to continue as at present, inequities will be created. I suggest, in logic, that the government should again look at this part of the bill.

Secondly, I want to talk briefly about the capital gains tax, and especially how that tax may apply to a farm when a father passes it on to his son. Of course, if a man makes a large capital gain, he should pay tax on it. In principle, I do not object to this. However, if the capital value of a farm or of a company remains constant over the years, and if the farm or the company stays the same size, it should not be valued on the basis of a different or larger size. That is what we are concerned about. If the value of a farm goes up as a result of inflation, but the size of the farm or real income do not increase, it is not logical that a man should have to pay a capital gains tax, particularly when a farm goes from father to son or follows any such line of succession. In addition to talking about farms, we should be talking about small businesses as well.

• (4:20 p.m.)

I advance this argument for another reason. A large company has a different way of raising capital. Let me give an example of this. If a man's business expands from one department store to five or six, he can sell shares in the market or obtain his capital in some other fashion. This course is not open at the present time to farmers and small businessmen. If there were some practical method of arriving at capital value when turning over a business or farm from father to son, there would be less concern.

I wish to deal with one other point. The experience of farmers in connection with how the act has been administered, particularly with regard to death duties, has not always been good. They sometimes feel put upon because of the values established by the departmental officials. I am not necessarily concerned about how the act is drawn,

but how it will be administered. There are at least opportunities for problems to develop in this area. If the bill is passed in its present form, we will have to look carefully at the way it is administered in the future. An example of the type of administration to which I am referring concerns a man who died and left four houses in a small prairie town. The tax people came from Saskatoon and placed a value on these houses similar to the values in Saskatoon. To prove that these houses were not worth that much money, the heirs tried to sell them but could not even obtain a bid on the houses. In spite of this, the tax people insisted this was the value on which death duties would be paid. There has been some inequity in the administration of this particular law in the past. The officials did not use the market value because the people could not sell these houses at the values which had been placed upon them. Logically, the heirs should not have to pay the tax on that valuation, but that was the basis used. When we talk about capital gains, and what might happen when turning over a family farm from father to son, we are concerned because of the way in which the present law has been administered.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, this is the third reading stage of this famous bill and I believe it is my duty to speak on this occasion and to emphasize once more the inconsequence shown by this government in forcing the House to accept this badly worded, badly drafted and confused bill. In fact, this is a bill about which we still wonder to what degree it is going to be unfair to the Canadian people.

Mr. Speaker, it is easy to say that one million Canadians will be exempted from income tax; it is a way of altering the real basic problems that this bill tries to solve. We must know what is meant by one million Canadians being taken off the rolls, which seems what the government is counting on in this bill.

Canadian families with a $2,500 or $3,000 yearly income and having three, four or five children are not paying any tax at the present time. When it is definitely established that these people are not paying any tax, I do not believe one can state that one million Canadians will be exempted from income tax. It is not true and I think it is intellectually dishonest to count on that. All the more so as another class of people, certain wage-earners, will derive so little benefit from this bill that I am wondering once more to what extent some people honestly count on such an argument, for most of the people who will get a tax decrease will save only $15, $20, $25 per year. Is it worth emphasizing so much that a few thousand persons will pay $15 less in tax this year?

Why not talk instead about the additional billion dollars that the government will collect under this new bill? You do not hear too much about this but in the final analysis this bill is simply the concrete and actual result of a series of mathematical acrobatics to go deeper in the pockets of the Canadian taxpayer. This is the kind of reform we are presently considering. So we have all the reasons in the world to oppose it.

• (4:30 p.m.)

First, we are opposed to the manner in which the government is trying to ram the bill through the House by a set date. Mr. Speaker, this is absolutely irrational. Here we are considering a bill of 732 pages when the usual bill might go up to 40 or 50 pages. This voluminous bill is equivalent to 25 or 30 normal bills. Since when is it against the rules to take the time required to study 10, 15, 20, 25 or 30 bills? It is not because there are innumerable issues in a single bill that we should consider it with great speed, thoughtlessly and in great haste. Again, when the government is actually trying to convince the people of Canada that its action is appropriate because the time of the House is being taken up to debate such a bill, it is being dishonest. The whole population should be told what it is all about.

When a bill calls for so many changes on top of being so badly drafted and conceived it is quite normal to take the time necessary to bring in the required corrections. We have irrefutable proof of this— what would have actually happened to the clauses on co-ops, caisses populaires and credit unions if the opposition had not opposed vigourously those clauses dealing with taxation of caisses populaires? Did we not succeeded in making the government understand and, at last, agree to amend these sections so as to make them more in line with the economic realities which those financial institutions represent?

This is a glaring example which shows that a study was required and that opposition action was becoming essential and the proof that we were right to insist on having other sections amended. If we have so much insisted on having them amended also, or on having their coming into force deferred, it is because we knew we were right. It is not because we are told that, from now on, we shall have one or two days to discuss this bill that we must agree with the government. To agree we were right in such a manner would be to show weakness and I think that this government is not showing strength but weakness. Because it cannot adequately defend its bill it would rather impose it. I think this is how the government is acting.

The dishonesty shown by the government not only in preventing hon. members from further discussion of this bill but—and this is the most terrible thing—in forcing the Canadian people to fight their way through this maze of sections on income tax is one way of laughing at them.

As indicated by the amendment under discussion, we must see in this bill the extraordinary difficulties that certain segments of our society, including our farmers, will meet from all sides. And when you are aware of their special situation and of the difficulties they are faced with, I feel that imposing on them new methods for computing their taxes amounts to moving backwards, to putting a spoke in the wheels of this country's agriculture, in other words to regressing, a policy which the government shall regret sooner or later.

Because the minister says that this bill has to come into force for the government to see how it works and how to amend it later, there is no need for us to pass it. His alleged guarantee will not convince us, nor the Canadian people, that this legislation is good.

Mr. Speaker, such arguments are seldom heard. In brief, the minister is telling us: we do not know exactly if this legislation is good; we think it is; in any case, if we put it into force, we shall see. I do not believe that a legislation

should be based on such premises. I think that the reasoning behind it should rather be the following: Let us enact on January 1, 1972 all those clauses of the legislation which carry some unanimity, especially those which benefit mostly the small wage earner even if, as I said earlier, that this is merely playing upon words. Anyway, let us apply the clauses whose consequences we know for sure and avoid submitting many Canadians to huge fiscal problems.

I believe that the opposition is quite right in denouncing the way the government is proceeding.

Yesterday, I heard the Prime Minister (Mr. Trudeau) mention that his government could not act the same way as its predecessor—that is Mr. Pearson's government, which had to allow the opposition acting as it fancied—and that he himself, with his own government, was ready to assume his responsibilities according to parliamentary laws. This is another way of bluffing and having people believe that Standing Order 75C is quite commonplace and can be applied without fuss.

Once more, Mr. Speaker, the government forgets to indicate that it is far more important to know exactly what to think of this tax reform. It seems to me that in order to conceal the drawbacks and shortcomings as well as the adverse effects of the bill before us, the government is trying to draw the attention of Canadians to the rule of closure rather than to the substance of the bill itself. This is a means for them to divert attention and to avoid facing their responsibilities.

The Prime Minister, the Minister of Finance (Mr. Benson), and all other members of the government ought to explain to taxpayers what filing an income tax return will mean in the future. The sponsor of this bill should indicate what a capital gain is, and how much extra it will cost wage earners and small businesses. But they are very careful not to say anything about this. Instead, they try to play politics, as was shown earlier by the hon. member for Laurier (Mr. Leblanc), who, because the three parties of the opposition do not agree on all sections, assumes that he is right.

Who has ever heard such a thing, Mr. Speaker. People have elected members of the Social Credit, the New Democratic and the Progressive Conservative parties because they thought that was the right thing to do. They did not elect us, saying: Get along with the members of the Progressive Conservative party or the members of the New Democratic Party. That is not necessarily the mandate we were given. To say that the government is right because all the opposition members do not agree on some sections of the bill amounts in my opinion to an attempt to alter the course of the debate. In fact they try to bluff all Canadians by saying: In spite of the opposition we offer you something which is good.

Mr. Speaker, would this measure be opposed if it were such a good one? It is opposed because one knows that basically the Canadian people will have to bear the consequences of the fiscal reform. We therefore assume our responsibilities and say here what our fellow citizens in our respective electoral districts want us to say. It is well known that the majority of the people do not want irresponsible tax increases. They are quite prepared to pay their share but they want to know exactly where they stand. It is therefore a mistake to aggravate them with the sections of a bill which not only makes nothing clear but definitely will impoverish everyone.

If the purpose is to stimulate the country's economic development, that is the wrong way to go about it and it is therefore our duty to oppose the unsuitable provisions of the bill.

• (4:40 p.m.)

[*English*]

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I rise to give my wholehearted support to the amendment proposed by my colleague which is designed, as a last stand attempt, to bring to the attention of the government the fact that some of the provisions of the tax bill now before the House are going to create, in our opinion, real hardship for the Canadian people. As a result of the vote last week in this House, and in view of the tenor of the speech of the Minister of Finance (Mr. Benson) on Friday last, my feelings for Parliament are at their lowest ebb since I became a member some 14 years ago. I was not proud of my part in those proceedings, and I think that history will, in the main, show that our actions last week did a disfavour to the people of Canada.

In his speech, instead of trying to defend the government's stand on this bill the minister attempted, in what I consider to be a very derogatory manner, to ridicule the actions of opposition parties, and particularly of the party of which I am a member. I think this was grossly unfair of him. Indeed, he misrepresented the situation. The minister alluded to the fact that on only six occasions did the opposition members vote against government proposals—and this in face of clause after clause after clause being passed on division. As I say, the minister deliberately tried to mislead the people of Canada.

By using closure, the government has brought to a conclusion the committee stage of debate on this bill. The government has vigorously sought to portray to the Canadian people that there was a deliberate plan on the part of all opposition parties to oppose passage of this measure. I think that the record should show, and should show quite clearly, that there are very few individuals in Canada who, despite their expert knowledge, could read comprehensibly the bill before the House in the total amount of time that the bill has been debated in this chamber.

Mr. Benson: Fifty days.

Mr. Danforth: The minister says we have debated the bill for 50 days, but he does not say on how many of those days we debated it for only two hours or even less. For the minister to suggest that this was the actual amount of time devoted to a measure of this magnitude is a misrepresentation, and he has been grossly unfair to the people he seeks to represent.

Mr. Olson: Tell us about the six and eight hour days.

Mr. Danforth: We on this side, in order to fulfil our obligations, have tried to gain some understanding of the measure before us. Many of us have sought outside advice. We have talked to chartered accountants and have attended seminars held by lawyers whose business it is to deal with tax measures. Never in one single instance have these people taken the attitude that they understand fully the implications of this bill. We have been debating a measure some 707 pages in length. Is it not rather sad, Mr. Speaker, that owing to the action of this government which forced us to vote on the measure, over 400 pages of the bill were not even dealt with in the committee stage? I think the situation is preposterous and is not what the people of this country expect by way of government action.

In the opinion of most Canadians, tax reform should be designed to distribute the tax burden more equitably among all citizens in order not to create any specific hardship. In this way, everyone would pay his fair share, and perhaps the tax base might even be lowered rather than raised. Even a cursory reading of the bill indicates that it does not comply in any way with the common conception of tax reform. The bill is designed to extract more taxes, not less, from the people of Canada. The very nature of the bill, with all its rules and regulations, will complicate the tax system of this country even more. Even the tax consultants will throw up their hands at the thought of this new tax measure. The government has forced it through Parliament, and "forced" is the only word I can use. In addition to this, it has had to bring in some amendments of its own, an indication that the government itself finds the bill far from complete. This is why Parliament has fallen to such a disgusting low.

All segments of the economy have begged the government to slow down the processing of the bill through this House. The provinces have asked for it, the business community has asked for it, chartered accountants and lawyers have asked for it, international corporations have asked for it but this government is determined to put it through to meet the deadline of January 1, 1972 set by the Minister of Finance. Mr. Speaker, I cannot comprehend why this government would feel that the personal reputation of one member of the government who made a forecast should be placed above the welfare of thousands of Canadian citizens. That just does not make any sense.

• (4:50 p.m.)

Mr. Osler: What you say is nonsense.

Mr. Danforth: In his speech on third reading, the minister stated that there would be further amendments after this bill goes through. He carefully enunciated amendments which would be considered, but the banking committee of the other place has taken exception to those sections which are to be amended. Was this done in an attempt to help the people of Canada or was it a deliberate attempt to influence the further consideration of this bill? The government did not hesitate to impose closure in this House, so why would it hesitate to tinker with the other place? I feel this is exactly what is going on.

[Mr. Danforth.]

In stating that this bill would have to be proclaimed before the full effects of it can be known, the minister is making guinea pigs of the people of Canada as my leader pointed out. It is the trial and error method, but unfortunately the livelihood of many thousands of Canadians is involved. We cannot afford to tinker with the economic climate of Canada today. Too many businesses have been forced to close, too many farmers have left the land, too many big industries have decided not to expand and too many industries have left the country in disgust. Now, we have before us the bland assurance of this government that all will be well if the opposition will just desist and let them ram this measure through Parliament.

Mr. Osler: You don't know the difference between a ram and a turtle.

Mr. Danforth: The people of Canada do not understand this bill, Mr. Speaker, nor do all Members of Parliament but the people of Canada thoroughly understand the actions of this government. This has been proven by the tenor of debate in this House these last two or three days. It is an indication of the political climate of the country.

I have always loved the United States and its actions, Mr. Speaker. It is interesting to note that the members on my left, for whom I have the greatest respect, have now directed their attacks not at the government which they know, as a result of having their ear to the ground, will not be back, but at this party which they feel will be their chief antagonists when we go to the country.

Mr. Mahoney: My God! This must be the cartoon hour!

Mr. Danforth: It is interesting that some of the back benchers and parliamentary secretaries opposite have taken an active part in this debate. I think they realize that this will be their last Parliament and their last chance to be on the record.

Mr. McGrath: You will go down in history as the only one who had to bring in closure to get your bill through.

Mr. Danforth: In spite of the propaganda, in spite of the assurances of this government, in spite of their lack of intimate knowledge of parliamentary procedure, the people of this country still think for themselves. When you travel among the people of this country, Mr. Speaker, you learn that they are not fooled by the blandness of this government when it says that a million or so people will be taken off the tax rolls. They know that as long as this bill is in effect in its entirety they will be back on the rolls. They know that inflation will eat the few crumbs this government is giving as tax deductions. The little man in the grocery store, in the service station, the shoe clerk, and the fellow in the factory realize that the government have made changes in this bill and they realize why this was done. They know that they cannot win tax cuts for themselves as they speak only with one voice, but they know also that when the credit unions and co-operatives brought many voices together and indicated that they represented a large number of voters, the government listened and made changes. This is power politics, Mr. Speaker.

An hon. Member: That doesn't sound like dictatorship.

Mr. Danforth: This does not help the little fellow, the man that tax reform was supposed to help.

It is strange, Mr. Speaker, that when we voted on matters pertaining to agriculture, such as the recaptured depreciation, the elimination of the basic herd, the imposition of a capital gains tax, government members who represent farming communities voted for those changes. But they cannot have it both ways, Mr. Speaker. They must either go back to their constituents and admit that they do not understand this bill or that they voted anti-agriculture on those measures. It is as simple as that. Their actions show where they stand. I think many of them voted for the government measure because they did not understand what it meant. If these provisions are implemented in their present form, Mr. Speaker, they will destroy many of the sound and substantial businesses in the country. The government is going to extract more money, but the feeling in the country today is that taxes are about as high as they dare go.

My leader was quite correct when he intimated that there will be further trouble if we get into the realm of capital gains and still have estate taxes in the provincial field. No small business or farm can survive this double taxation. The margin of profit in agriculture today is so small that it cannot bear this extra burden. It will be impossible to hand a farm from one generation to another under the provisions in the proposed tax bill. It just is not possible and there is no incentive if the economic climate of agriculture continues to decline under this government.

The bill becomes more and more complicated, Mr. Speaker. The minister said we debated it for 50 days but I would challenge that. Taking him at his word, however, that time, included the committee stage of this bill. The treasurer of the province of Ontario, as well as his staff, indicated that after an intensive study of four months, the provincial experts were unable to comprehend many of the complicated provisions contained in this bill. Yet, this government would lead us to believe that in this period of time members of this Parliament should thoroughly understand the ramifications of the bill and put it through. It is this to which the people object. The people expect reasoned action by any government, and they fail to see it in this situation. Surely, the people of Canada are entitled to the opportunity to earn a fair living without the government embarking on a deliberate policy or creating unemployment, the opportunity to amass some savings without the government devising ways and means of extracting the greater portion from them, the opportunity to engage in a business without government interference and regulation to a degree that the administrative work becomes burdensome, the opportunity to retire with enough money on which to live comfortably without government action making this entirely impossible, and the opportunity to provide something for their heirs without the government entirely destroying the results of their work.

• (5:00 p.m.)

I resent very much an attitude on the part of any member of this House which indicates that one generation has no right to pass on wealth to the next generation. I think this is a retrograde step. I think this is one of the greatest incentives people engaged in work have. They should have the opportunity to establish a plateau on which their children can start out far beyond that on which their parents, because of circumstances, were forced to start. This is the greatest incentive there is, but even this seems to be removed under this new tax bill. One has only to read this bill to believe the government has absolutely no feeling for the common people.

It is interesting to note that members in this House stood up and said that the opposition party was opposed to this bill and therefore was opposed to relief for the low-income people, was opposed to the fact that older citizens would get a little break, that some categories would have a little rebate on their taxes and that some of the workers would have a little allowance for their tools and travelling expenses. They told us that if we voted against this bill this was the position we would be taking. This is the program followed by members of this government. They always try to wrap up a few goodies in any measure which they feel should be foisted on the people of Canada. This method is as old as the hills. Many grandmothers used castor oil in sugar to cleanse the systems of their children and grandchildren, but the castor oil in this bill is designed to cleanse the ills contained in it. We can come to only one conclusion, and that is that this bill was the product of a government which wanted to close all possible loopholes that might be utilized by Canadians to survive in the economic climate of Canada.

I pointed out once before, and do so again in supporting the amendment of my colleague, that farming as a business cannot be classified in the same way as other businesses in this country. I am not speaking of the capital gains tax. I am speaking about the basic herd, and the tax paid by farmers themselves, because under the present economic climate farmers cannot pass on any additional costs. Any increased taxation of farmers means even less net profit from the farm operation. If a company selling trucks, tractors or anything a farmer buys, suffers an increase in tax, the company adds the additional cost to the product it sells. If one farm commodity in Canada should have an additional cost added to it, this government would open the door to foreign imports so that the cost of living would not increase, thus adversely affecting their monthly reports.

So, I point out that I would have no hesitation at all in supporting the amendment my colleague has moved in a last desperate attempt to save the farmers of our nation. The government will not benefit by the action it is taking in respect of the farmers. The amount of tax it will collect through this action, which will put the farmers and their sons and daughters off the land, is a small pittance compared to the amount of money it now spends to keep them on the farm. I fail to see, therefore, why the government is taking this action. Does the government not care for the individual farmer? Does it want to shift the money to the other side? The government has spent $100 million in the west to support the farmers. It spent perhaps $200 million in Canada on agricultural subsidy programs, and with the grants and other aids to agriculture it probably has spent perhaps an extra billion dollars. Yet the government is going to put the farmers off the land because of the tax

measure, and the amount it will collect will be a pittance compared to the other sums.

Is it the intention of the government to get rid of the farmers and the small businessmen? This bill is designed to broaden the tax base. It certainly does not bring about more equity because it is designed to extract more per individual and not less. The implementation of the bill unfortunately will prove this. So far as I am concerned, my feelings for Parliament have reached a new low because we have a so-called reform bill brought in by this government which I submit is a humiliation to the people because many of its clauses were never discussed or debated and yet were put through because a certain cabinet minister decided that on January 1, 1972, this measure should be proclaimed. In addition, I resent very much the fact that the Minister of Finance stood in his place and ridiculed my leader for his attempt to divide this bill. He said this was impractical, impossible and not plausible. We did not suggest this without a great deal of thought. We consulted the foremost tax and legal people in this country. Yet this minister, who has never yet made one accurate economic forecast, in order to leave Parliament with one accurate forecast insisted on closure to fulfil his forecast that this bill would be passed by January 1, 1972. I think this is ridiculous.

• (5:10 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Halifax-East Hants (Mrs. McCleave)—Canadian foreign aid program—shipment of goods through Canadian brokers; the hon. member for Vancouver-Kingsway (Mr. MacInnis)—External Affairs—fisheries treaty with Norway—request for opportunity to discuss terms; the hon. member for St. John's East (Mr. McGrath)—Regional Economic Expansion—suggested resignation of minister.

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INCOME TAX ACT

The House resumed consideration of the motion of Mr. Benson for the third reading of Bill C-259, to amend the Income Tax act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, and the amendment of Mr. Lambert (Edmonton West) (p. 10363) and the amendment to the amendment of Mr. Burton (p. 10370).

Mr. A. P. Gleave (Saskatoon-Biggar): I should like to again bring a few things to the attention of the government. One wonders how effective it will be since we are operating under a time allocation motion. It is rather like playing the game of hide and seek, ready or not we will be caught. This is the sort of game the government is playing. The time has been called, the decisions have been made.

[Mr. Danforth.]

Some of the questions that were raised in committee, particularly those which applied to the farm sector, have not been answered. I asked some questions with regard to how the valuation of land would be established, and back came the answer: fair market value. What is it? The fact of the matter is that they do not know. Not too long ago the Minister of Agriculture (Mr. Olson) brought forward an adjustment program under which he said that land would be transferred at 90 per cent of the fair market value. The minister is shaking his head, yet this is what is said in the document. Did he not read it?

Mr. Danforth: He has not read it.

Mr. Olson: What you are saying is not correct.

Mr. Gleave: I do not know how one arrives at 90 per cent of the market value because it drops when you assess it.

Mr. Olson: I will be happy to explain that, Mr. Speaker.

Mr. Gleave: Yes, the minister will be explaining it but not in the House; it will be to the country.

Mr. Olson: That is what I was doing last week.

Some hon. Members: Oh, oh.

Mr. Burton: That is whistling in the dark.

Mr. Gleave: I think it was my colleague, the hon. member for Regina East (Mr. Burton) who pointed out that in many cases when the government is attempting to establish the actual market value of the land, at least in western Canada with which I am familiar, they will be working on marginal value. They will not be working on full value but on the value of odd quarter sections. I do not expect that the government will accept what I say. I have here in my hand the report of a chartered accountant of reputable standing in Saskatoon. Here is what he says with regard to this matter:

> farm land—fair market value may be difficult to establish at this time because of the relatively few sales of farm property in most localities in the past two or three years.

He is pointing out the difficulty that might occur when you start establishing the market value of a farm property. So, according to the government, market value is all they are prepared to use. They are not prepared to use the assessment of the actual productive value of that asset which they were asked to include, to they will proceed with this one method which has been described to them as quite unreliable, and which may very well work an injustice on the farmers themselves when assessing capital gain. Nonetheless, the government is prepared to proceed, and has refused to accept the opinions of those in the House who make their living off farms and who have some personal knowledge of this. I expect also that they will refuse to accept what I have quoted to them from a letter from an accountant who has spent a great deal of his time filing returns and working on matters related to farms. Here is his advice to farmers:

> If you have knowledge of any farm land in your area which has been sold the last year or two, and which is comparable to your land in quality, make a note of the legal description of the property, and the parties involved in the transaction.

In other words, he is saying to the farmers: if you want to protect yourselves against the very real possibility of injury as a result of this legislation, go out and find any property that is transferred in your area, make a note of it, keep a record, try to find out at what value it was transferred, and have that in your pocket at some future time when the authorities come to you and say "you have made this much as a capital gain". This is the advice that comes from this accountant. Let us follow on. Here is what he said about farm equipment:

I would suggest that you appoint an equipment dealer, well versed in valuing machinery to appraise your equipment and give you a certified list of the equipment and fair market value of each machine on valuation day.

This is list should be kept safety and I would like to make a copy of it for retention in my files.

The dealer could certify the list as follows: "I have examined on this date the equipment listed below, and in my opinion, based on my experience as a dealer in such equipment, the fair market value at this date is as follows:

This will involve considerable work for the dealer and I expect that he will charge an appraisal fee.

This is the kind of advice that people who are experienced and knowledgeable in income tax law are giving to their clients and yet, on the other hand, the government ignores it altogether.

Let us follow on. He said:

livestock . . . a farmer who has a basic herd, or who intends to make application for one, should document market value of the basic herd class of animals on valuation day . . . animals which have a special value and these are included in a basic herd, you should consider obtaining an appraisal by an independent livestock broker or dealer.

Again this is advice to farmers regarding the handling of livestock. Then, he refers to shares in your farming company, and he describes gift and estate taxes. He says the federal government has indicated that it will vacate the estate and gift tax field on December 31, 1971. He goes on to say:

There are many uncertainties in this area and I hesitate to comment at this time.

This is what we are being asked to accept without question and, if we vote in favour of this bill, to defend our position in the country. If we vote against it, then, as the previous speaker said, there is a little sugar coated pill in the exemptions which, of course, the government members will be quick to charge we are denying the people in the country. Surely, it is the responsibility of the government, if they wish to levy a capital gains tax, to see that that capital gains tax is levied in such a way that it does not do injury to those who have to pay the tax, and that it does not cause undue expense to those who have to establish their financial position in respect of the tax. My chief complaint at this point is that those responsible for drawing up the act have not concerned themselves with the fact that it inflicts hardship on those who have to pay the tax. Reliable accountants assure me that we will find ourselves arguing with officials in the income tax department who themselves will not be sure of the limits within which they are operating. Mr. Speaker, if they are not sure of those limits, then how about the ordinary farmer or businessman trying to survive in the tax jungle that this bill will create?

• (5:20 p.m.)

I am satisfied that the bill will create a tax jungle. And, Mr. Speaker, the money collected in capital gains tax off farms will show the worthlessness of putting that provision in the bill. It will force a change in the method of buying, selling and transferring farm machinery. By some means or another the farmer and machinery agent will have to avoid fictitious capital gains, or unreal capital gains, that is to say, those which do not really put any money in your pocket. This capital gains tax provision will also make it more difficult for land to be transferred from generation to generation. The amendment seeks to deal with that problem, and for that reason deserves our consideration. It is a practical, workable approach to the way in which we make a living from the land.

I can find very little to recommend the government's action in this case, and even less to recommend in the haste with which the bill is being forced through the House or in the manner in which the government is clobbering those who seek to bring some reason into the bill.

Mr. Jack Murta (Lisgar): Mr. Speaker, I rise to support the amendment proposed by my colleague from Edmonton West. I believe it is a good and necessary amendment. Even though we are operating under the shadow of closure, I hope the government may be persuaded to let the amendment pass and allow the agricultural sections of the legislation to be referred back to committee for study in some depth.

I would like to talk mainly on the two sections that are under debate today, section 29 and section 39, which deal with the basic herd and with the capital gains tax as applied to farmers. But before doing so, I would like to voice my criticism of the way in which this tax legislation has been handled in the past few days. Since the government announced its intention to use closure, it is not down the throats of the opposition or of Parliament that it is ramming its new tax program. It is down the throats of the Canadian taxpayers, of the Canadian nation as a whole. It is down the throats of the great majority of taxpayers who cannot even begin to understand the implications of the new taxes, and many of whom are violently opposed to having these provisions enforced before their meaning is made clear.

It is a preposterous proceeding that is taking place in the House of Commons at the present time. What is the purpose of closure, either in the old or in the new form? It is to put an end to obstructive and repetitious debate which continues after the issues have been clarified for the country. The problem in this case is not obstruction. Instead, the House has been struggling with a bill of some 700 pages, involving hundreds of propositions, the intent of which is not merely to change taxes but to alter the whole tax system. The Minister of Finance (Mr. Benson) has complicated the debate by tossing in well over 100 amendments. How can the ordinary tax-paying citizen be expected to understand all of this when tax experts are complaining bitterly that many of the sections are incomprehensible to them?

One of the better suggestions made during this debate was that put forward by the Leader of the Opposition (Mr.

Stanfield) to divide the legislation into two parts. Under his proposal the new personal rates could have taken effect in January, and the more complicated package of changes involving tax on capital gains and new provisions affecting business could have been deferred until the early part of 1972 following closer scrutiny by the House. This would not have forced the Minister of Finance to abandon his total objectives. He would simply have had to take two bites at the cherry instead of one. If he had then encountered opposition to the new rate proposals, closure would have been legitimate. Issues would have been clear. But the government would have none of that suggestion.

The country is to have the whole bill whether it likes it or not; whether people understand it or not, they are to have it by closure. The people most affected will not be the critics in Parliament but the ordinary tax-paying citizens. It is the Canadian taxpayer whose rights are being trampled on. The taxpayer has heard debate about general principles. He has heard re-assuring statements from ministers to the effect that "valuation won't hurt you even if you don't understand it." But his tax will not be decided by references to generalities or ministerial speeches. It will be determined by the letter of the law which Parliament was examining in committee. That examination has now been curtailed, and in fact this debate is being curtailed while the country is in a fog about the entire business of tax reform. Over and over again within the last few days, when sections dealing with agriculture were being examined by the committee, it was said that the people involved in drafting the legislation, and the people who will be involved in administering it, simply do not understand Canadian agriculture. I think that in good measure this is true.

We have seen a number of pieces of agricultural legislation come before this House within the past few months. They either tried to lock the farmer into a position which he was not willing to accept, or to provide him with a form of government control, and the establishment of quotas, all of which he was not ready to accept. To me this adds up to one basic conclusion, that the people drafting legislation have not taken the time to look into agricultural problems closely enough to determine what the industry really needs, and so bring in legislation for the benefit of that industry.

We went through the process of trying to introduce amendments to the stabilization bill, a bill which was finally thrown out of the House by the government. Those amendments were proposed by the official opposition and also by agricultural organizations all across Canada. For the most part they were good, sound amendments. Granted, Mr. Speaker, there were some that would have involved large expenditures of money, but there were others which could have been incorporated in the legislation for the good of agriculture. Yet they were not given a second thought by the government.

I believe that the farming community across Canada is sick and tired of the present Liberal government, sick and tired because it has not introduced anything in the way of meaningful agricultural legislation for over a period of a good many months. The agricultural industry is in serious trouble in Canada. This is something that should be stressed by rural members every time they get an opportunity. It is in serious trouble not only in the west but in all parts of Canada from the Maritimes to British Columbia.

An analysis of the trend of cash receipts from the sale of livestock and animal products over the period of the last 20 years indicates an average increase of just under $70 million a year, or about 3.5 per cent. This compares with the average rate of crops of just under $40 million, or slightly less than 3 per cent per year. On the other hand, operating expenses and depreciation charges have been increasing at a rate far greater than either of these two components. This average rate has been about $115 million per year, or just under 5 per cent. A continuation of this trend will lead to a gradual worsening of the farm income situation in Canada.

• (5:30 p.m.)

At the Outlook conference that was completed a few weeks ago in Ottawa it was noted that the repayment of $75 million of cash advances from earlier years is exerting a negative effect on the level of prairie cash receipts this year. In other words, the conference noted that although the movement of grain this year has been at a good level, the money for the most part has not been put back into the pockets of farmers. Increases in expenditures for farm production have eroded the impact of higher levels of prairie grain marketings on realized net incomes, as the Outlook conference went on to say. On the Prairies it is forecast that realized net income will be $621 million in 1971, compared with $494 million in 1970 and $505 million in 1969. The income projected for 1972 is to be only $500 million, which is the same level as in 1969, which was a very depressed year. Surely this cannot give much ground for optimism for farmers or others engaged in the agricultural business.

I believe, Mr. Speaker, that unless we bring in agricultural policies which will reverse this trend drastically, unless we being in new agricultural policies, agriculture as we know it today may in a few years be non-existent. I say this only to demonstrate that the two items on which we are speaking today, those relating to the basic herd and to the capital gains tax, especially as that tax applies to the transfer of farms, are very critical areas to consider in the legislation and in the total picture of agriculture.

Speaking further on the capital gains tax, I believe that if a father in any way is hampered from passing on his farm to a son or daughter, the recipient of the farm will be restricted greatly in the matter of returns. Considering the low net return on moneys invested in agriculture today, the son or daughter may never actually pay for that farm. In a good many cases we are looking at farms that are capitalized to the extent of between $50,000, $100,000 or even more. The portion of that money which must be paid out in tax will seriously undermine the effective earning power of that farm. Also, there is always the estate tax to consider. This to me represents a clear form of double taxation.

It has long been recognized that the ratio of investment to return in agriculture, as I mentioned before, is extremely high. Not only is this a characteristic of agriculture, but the problem is further compounded by the high-risk factor associated with the uncertainties of climate and markets. Producers must contend with those risks. Indeed, the low returns of agriculture are evident from

the fact that banks are reluctant to extend long-term credit to farmers. Hence, there is need for the government-administered Farm Credit Corporation. Thus, it is obvious that in a high cost, moderate risk and low return industry the effects of capital gains would be more disruptive and burdensome than in the case of a low investment, higher return business. I am thinking, for example, of the sort of business that is carried on by members of some other professions.

We will be looking at a situation in which the business of farming will be treated in the same way as any other business, without recognition of the fact that there is something unique about farming and that we must work toward preserving that life style and and that way of life. Farmers, owing to the very nature of farming, are unable to accumulate the resources needed to pay capital gains tax. It seems to me, Mr. Speaker, that measures such as those we are considering make little sense at this particular time in Canada's history. To the extent that it is desirable to encourage and retain family farms for social as well as economic reasons, appropriate tax provisions should be made.

The measure of the government's failure to appreciate fully the sociological implications of the effects of the proposed legislation is shown by the fact that the pride and independence of the family farm and small family business have been completely ignored. The farmer's desire to protect his family farm has been ignored completely. In this regard the proposed legislation is better suited to the impersonal world of the giant corporation and multinational which is owned impersonally by many than to the values implicit in the family farm operation.

The Senate committee on banking and commerce, in its preliminary report on proposed tax reform legislation expressed concern about the pressures that have increasingly led to a profound change in the nature and use of farmland. The committee recommended:

—that consideration be given to extending the roll-over provisions to permit land together with any other capital property which is used by an individual in a farming activity to be transferred, either during lifetime or on death, to lineal ascendants or descendants without being subject to capital gains treatment under the deemed realization provisions. This exemption should only be available in those circumstances where the transferee or transferees continue to carry on the farming activities.

I believe that under this tax legislation we should not tax one segment of the economy at levels which it cannot meet. The fact that farmers have been able to stay in business is proof of their ingenuity. I suggest that we should apply here some of that ingenuity shown by the farming community and devise a tax structure that will enable both the Canadian public and the farmers to get a fair return from the agricultural industry. At the same time we must maintain the well-being of the rural economy and the level of food production which the nation requires. Maintaining the rural economy at a satisfactory level is an important consideration.

Just a week or so ago I returned from a trip to the United States. I heard agricultural problems and questions discussed at some length. The Americans, basically, are facing the same kind of problem that we are experiencing. There, farmers are leaving the land, large corporations are moving in to take their place and the entire agricultural industry from the standpoint of the farmer is just not attractive enough to bring young people into it. I believe that we in Canada must try to tackle the problem. One of the first ways of doing that would be through a fair taxation system which would apply especially to those involved in agriculture.

If I may speak about the basic herd concept, Mr. Speaker, I believe that if the provisions relating to the basic herd are passed as proposed, every farmer engaged in a cow-calf operation in Canada will be adversely affected. So far as I can judge, under the proposed legislation the basic herd concept is being phased out for no valid reason. The Senate Committee on Banking, Trade and Commerce in its report published on November 4, 1971, said:

Your committee is not aware of any reason for not continuing to recognize a permanent herd for what it is, namely, a capital asset.

It continued:

Your committee recommends that provision be made in the proposed legislation for the continued recognition of a farmer's permanent herd as a 'basic herd' and, therefore, as a capital asset.

The House of Commons committee report on the white paper proposals said that since taxation was recommended with regard to the basic capital asset it was necessary to retain the basic herd concept. Under the transitional rules, basic herds which have already been established will continue to be treated as capital assets to the extent that those accrued at the commencement of the new system will not be subject to tax. There can therefore be little point in treating gains occurring thereafter in the same manner as profits on the sale of inventory or stock in trade.

• (5:40 p.m.)

The farmer wishing to acquire a herd or major addition to an existing herd takes money out of his capital. This is only natural. To go on an accrual basis with annual evaluation of the herd is often impractical, and if the farmer is on a cash basis for accounting he will experience a number of years of losses which will not be fully compensated by the averaging provisions. The failure of the government to treat this unique capital asset of the farmer's animals as a form of capital, subject to the same rules as taxation capital can, therefore, be regarded as wholly discriminatory.

I believe the farmer should be permitted to add to his basic herd by putting income into the cost of animals that he has. A young farmer should be permitted to establish a basic herd and to have that expense regarded as his capital investment. This will be a definite advantage to any young farmer interested in raising a cow-calf herd in which he will make the greatest portion of his living. If the present tax proposal is unmodified, the farmer will realize the proceeds of sales as income immediately on disposal of his herd. Farmers who wish to build their herd year by year, reporting the cost of the transitions as income as they do now, will not under the proposed changes be able to enlarge their capital base in animals. It does not take a genius to realize what could happen to the cattle industry if this legislation were adopted.

As I have mentioned before, Mr. Speaker, there is a strong social case to be made for the government's not creating difficulties for families who wish to continue farming. It will be extremely disruptive to a farm business

if capital gains must be realized by the family and withdrawn from the farm. A young man just starting up in farming could very well have to sell a portion of the farm he has acquired in order to pay capital gains tax. No tax reform legislation should have the effect of locking a farmer or any other person into a business or a way of life simply because he cannot afford to relinquish that business. Farmers can incorporate, but the taxation system should not force them into incorporation.

The concepts that are embedded in the tax legislation will to a great extend jeopardize the present form of our family farms. The application of a capital gains tax must not be permitted to lead to loss of ownership of family farm operations, nor must the capital gains provisions be permitted to introduce unnecessary rigidity and lack of inflexibility in the capital reorganization of a farm business. To conclude, I urge that the government give serious consideration to the proposed amendments that we are debating. If as members we find our time in the House of Commons is to be spent in a meaningful way, the tax legislation as it pertains to farms must be given greater study.

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, it was not my intention to participate this afternoon, but the speeches ground out by the Conservative research people have run down. Maybe over the supper hour they will have an opportunity to prepare a few more. I was very impressed with the presentation of the Minister of Finance (Mr. Benson) when opening the third reading debate on this bill. He firmly planted his feet on the ground and then, tweaking the opposition with the impish grin we have come to know so well, putting his tongue in cheek, he proceeded to tick off the opposition about the fact that they abstained when the committee report came up for a vote. Rather than dealing with the specifics of the bill, the opposition's financial critic defended the actions of the Conservative members of that committee. He talked about the poor members who had to catch airplanes and were not available for the vote. That is too bad, but their responsibility is to the committee and the House of Commons prior to going home to their constituents.

The result of the tongue-in-cheek comments of the Minister of Finance indicated the kind of overreaction we have come to expect from members of the official opposition. It scares me to think there is even a slight possibility that they will be in government. If they react in this way then, being the government party with the kind of criticism to which it is subjected they will not be able to stand the heat in the kitchen.

At this time it is appropriate to compliment the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney).

Some hon. Members: Hear, hear!

Mr. Cullen: I concede to the financial critic of the opposition that I do not understand every section of this bill. However, I have come to believe that the parliamentary secretary obviously does understand them. There was not a section of the bill with which he was unfamiliar or on which he did not give an answer. It may not have been the answer the NDP or the official opposition were looking for, but he certainly understood the section. In the cool and efficient manner that we came to know in the many weeks of debate he showed that he knew the bill inside out, backwards and forwards.

As a member who practised law before coming to this House, I do not think there is any more complicated legislation than tax legislation, be it income tax, succession duties or estate taxes. It has to be complicated. We find lawyers of the Canadian Bar Association and accountants complaining that the legislation is complicated. Theh know full well that when an individual is going to be taxed, it must come within the four corners of the tax bill. Unless it is covered in the tax bill, the individual citizen is not subject to that kind of taxation.

Based on the decisions made on the old tax bill, the department, government and committee told us this bill would plug some of the obvious loopholes. In that way it is complicated and lengthy. When the time comes to put the bill into operation there will be all kinds of assistance available to the taxpayer. I am not referring primarily to lawyers and chartered accountants, but the kind of assistance we have come to know and expect from the Department of National Revenue. There are brochures and pamphlets to explain what seems to be a complicated piece of legislation. It is very easy to understand when put into such a document or form, but extremely difficult to put down in a piece of legislation.

Reference has been made to the fact that we have imposed a time allocation. The opposition likes to use words like "guillotine" and "closure". I do not think that anyone can win that semantic argument. It does not matter. The time comes when government must take its responsibility. I am proud this government took its responsibility. I support the action taken by the government. There comes a time when debate must end. We must make a decision. The government that introduces the bill must stand or fall by the legislation that it brings forward. It is not up to the opposition to impose their own form of filibuster or closure by debating ad nauseam sections that they do not like or feel should be changed.

There comes a time when the government must decide whether to make amendments, and it certainly showed its flexibility in this area, or to stand by the section, pass it and accept responsibility therefor. Nothing is to be gained from debate that goes on interminably with no decision being reached. I support the government and its time allocation. I think that rules 75A, 75B and 75C are good. These are the kind of rules that will save the House of Commons, not destroy it.

• (5:50 p.m.)

A cry has gone up from opposition members that there is no tax reform in this bill. Yet we have provided for a capital gains tax; we have provided that in addition to the increased exemptions which are to be allowed, people aged 65 and over will benefit by a further $650 exemption. He must also recognize the assistance given to working mothers who may now receive deductions in respect to child care expenses to the extent of $500 a year, or a maximum of $2,000 a year for a family. Acknowledgement is made, at last, of the fact that the workingman needs the tools of his trade. I agree that $150 is not

enough, but it is $150 more than has been allowed by any government previously in office.

We have heard a good deal said about the estate tax. There is no estate tax. I think that arguments in this area should now be addressed to provincial legislatures because the tax has been abandoned by the federal government. I welcome the amendments which have been made. I do not object to them. I see a desirable flexibility in this kind of approach. Indeed, I hope the hon. member for Peace River (Mr. Baldwin) is correct in his prediction that many more amendments will be brought down in the new year. I hope the government will continue to react to situations in which changes are required, especially when it appears that inequity has arisen.

The government has proven the flexibility of its approach by the changes which were made after the white paper was introduced, the changes which it brought about as a result of representations from individual taxpayers, and the amendments introduced following representations in this House. I have in mind primarily in that respect the new provisions regarding credit unions. I think the hon. member for Essex (Mr. Whelan) had a great deal to do with this. He certainly put forward a good argument. The ears of the government were open and I give the Minister of Finance credit for listening to a good case on behalf of the credit unions and co-operatives.

I do not think the Canadian people are very impressed by the scare tactics adopted by the opposition, by predictions that small farmers will be forced to leave the land and that businessmen will be unable to operate. I believe that when the time comes for them to submit their tax returns and they see the refunds they will get, they will discount the scare tactics employed by spokesmen for the opposition parties.

Mr. Baldwin: I have news for you.

An hon. Member: Bad news. It usually is.

Mr. Cullen: I am aware of the opinion held by opposition parties. I have considered the amendment in the name of the hon. member for Edmonton West (Mr. Lambert) and I think it is a great step backward rather than forward. The reforms put forward in this legislation will make the tax system more equitable than it ever has been. The bill has been debated ad nauseam. Its contents have been before us since 1962. Surely this is not the time to talk about splitting the bill, taking a giant step backward, as the hon. member for Edmonton West would have us do. let us, rather, as my hon. friend the Minister of Transport (Mr. Jamieson) said, get on with the job.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, at the outset I should like to ask the parliamentary secretary two questions. The first relates to the basic herd provision. As I understand this legislation, when a farmer disposes of his herd the only recourse open to him under averaging, assuming he is not using the accrued income system or has not previously owned a basic herd, would be the general average under the five-year averaging provision. if the legislation were in effect now, for example, and a farmer's last averaging block was 1966-1970 and he were to dispose of his herd in 1971, this year, he would be obliged to pay the full income tax in this year, assuming he did not own a basic herd previously or was not on an accrual basis. He would have to pay full tax as though he has earned $30,000 in the one year. I believe there would be no forward averaging provision open to him. I leave that question with the parliamentary secretary.

My second question is: In buying forward-averaging annuities, as farmers and others will be able to do, as capital gains it is mentioned you can buy them through registered provincial companies. However, there is no assurance that these retirement or forward-averaging annuities would not be discounted by the companies dealing in them. There is no provision for this, to my knowledge. I raise this question on the assumption that there may be so much money available to annuity companies that they would not be able to take it up. As a matter of interest, I should like to ask the parliamentary secretary what these forward-averaging annuity companies may invest in. It seems to me they are largely involved in buying government bonds, so in effect this is a system whereby the government will have the use of their money until such time as it is recovered in taxation from the net income of the recipient. There is nothing in this bill which helps the farming community.

May I call it six o'clock?

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Ritchie: Mr. Speaker, when we adjourned for dinner I was speaking of the effect this tax bill will have on the farming industry. I see nothing in the bill but provisions to make agriculture more difficult to finance and more difficult for farmers to carry on farming. I base this statement on the fact that practically none of the provisions of Bill C-259 materially improves the income of farmers.

The only farmers who might derive some help from the bill are the low income farmers, since the new income tax exemptions will be more generous than they were. However, since the government is intending to phase out the small, marginal farmers I cannot see how these so-called goodies in the form of increased exemptions will be of particular value to them.

There are three or four sections of the bill that bear upon the agricultural industry. One of them is the introduction of the capital gains tax on farmlands. Another is the phasing out of straight line depreciation on farm machinery. A third is the basic herd concept, which at the moment applies only to cattle but could embrace other livestock such as pigs, animals used for fur farming, and other branches of the industry requiring the build-up of a substantial number of animals over a period of years. From what has been said in this House, it does not require great thought to come to the conclusion that the agricultural industry is in a serious position. It is in a state of great flux and nothing this tax bill does assists the situation.

In its release dated November 30, 1970, the Canadian Federation of Agriculture revealed some figures on farm

income published for the annual agricultural outlook conference by the Canadian government. These figures show that in 1959, $610 million, or just over 10 per cent of the $5.4 billion total food bill, was paid to Canadian farmers. In the year 1971 the amount was $440 million, showing a decrease of 6 per cent in a food bill of $7 billion. In other words, Canadian farmers received two-thirds the amount they received 12 years ago. In terms of constant value dollars, this represents about half the amount.

This fantastic situation has been created by the steady improvement in farm productivity over the years, which means fewer and fewer farmers producing more and more goods. In addition, there has been a chronically low level of returns in agriculture, and 1971 was an especially bad year for farmers. While the number of farmers has decreased, the capital investment made by farmers has risen. This is why I think the provisions of this bill are important.

I cannot help but feel that Bill C-259 is going to increase the exodus from the land of small farmers. I am not one of those who contend that the small farmer is necessary to the economy. If a farmer cannot make a reasonable living from the land, then it might be better for him to become involved in some other occupation that provides him with a better living. I travelled around my riding recently and found many farmers with considerable capitalization voicing the opinion that people on welfare were as well off as they were. At first glance one wondered how this could be, but a study of their financial situation revealed that although these farmers might have invested a lot of money in livestock, machinery and so on, they have very little consumer or spending money of their own. I think it is important to recognize this fact.

Another sector of agriculture that is depressed as far as level of income is concerned is the grain producer. The minister in charge of the Wheat Board (Mr. Lang) suggested that we had exported a great quantity of grain in the last crop year. However, he neglected to mention that the grain was sold at record low prices. When the farmer receives 60 cents a bushel for barley, having received 75 cents for it in the late thirties, it is easy to see that in this day of high prices and high cost of farming the grain producers cannot be said to have things rosy.

The phasing out of straight line machinery depreciation will not be of benefit to the farmers and will increase their cost of capitalization. Thus, our grain producers will become less efficient than they have been in the past. We have to compete with United States farmers, and the United States has just introduced the DISC proposal designed to assist their producers. While it may not be directly applicable to agriculture, the United States is going all out to help U.S. producers. Since we compete with U.S. farmers, I suggest the phasing out of straight line depreciation on farm machinery is just one more measure that means farmers will be less efficient than they were. Being efficient is the only way they can stay alive economically. The straight line depreciation on machinery allowed the farmer to use good machinery. This was reflected in production and helped to make Canadian grain competitive in world markets.

[Mr. Ritchie.]

• (8:10 p.m.)

The other place has indicated that they do not favour the phasing out of the basic herd concept. If we consider the case of a livestock producer who has built up a herd over 20 years or so, who has not been on the accrual basis or had a previous basic herd, we find that if he should dispose of the herd he will be liable for income tax on the sale as though it had all been earned in one year. If he sold his herd for $50,000 he would be liable for about $20,000 tax in that year. If he could not take advantage of averaging then he would have to sell the herd in five year lots in order to take advantage of personal income tax.

The government should consider this whole question because it applies to fur farmers, swine herds or any herd that takes a while to build. Some sort of averaging should be available to these farmers. Under the present provisions many people who sell the whole herd in one year will be assessed for income tax in that year. It may be a good thing for the farmer to sell off the herd over a period of five years or longer in order to gain a tax advantage. If a herd is sold for $100,000, the income tax for that year would be nearly $50,000, whereas if it is sold over five years the income tax would amount to about $20,000. The government has been deficient in this area and I think they should bring in regulations to ease this situation.

The transfer of land from one generation to another will be made very difficult by imposition of the deemed realization at death and the capital gains tax. The treasurer of Ontario, Hon. W. D'Arcy McKeough, in his submissions to the meeting of the Ministers of Finance on November 1 and 2 said:

> Following the significant strengthening of federal estate and gift taxes in 1968, it became apparent, to Ontario at least, that imposition of capital gains tax on top of existing death taxes would amount to confiscatory taxation of wealth.

This was because the capital gains tax would not mature for some time and as it and death taxes came together it would be very severe. He continued:

> We were pleased that Bill C-259 recognized the interdependence of these two forms of taxing capital and the need to reduce death taxes upon introduction of a capital gains tax. However, the complete reversal by the federal government from a severe gift and estate tax regime in 1968 to total withdrawal in 1972 seems unreasonable.

The problem of a capital gains tax on farmers is an especially severe one. The farmer, as any small businessman or person holding property locked into capital gain, will find the payment of that tax a severe strain. An hon. member from the government side mentioned before the supper hour that there will be no estate tax. But, Mr. Speaker, tonight the Ontario government announced an estate tax and at the weekend the Premier of Manitoba said that they were considering it.

Last year, Manitoba's share of the estate tax was $3 million. If this tax is to be collected it will have to be substantial in order to be worth the bother. Unless the provinces and the federal government dovetail their arrangements on these taxes we will find ourselves in an almost impossible situation. The imposition of a capital gains tax as well as a provincial estate tax will make the transfer of land from one generation to another terribly complicated.

Mr. Speaker, I reiterate that I do not see any way in which this legislation will help the agricultural community to carry on. I am afraid it will encourage people to leave the land. Bill C-259 could be responsible for speeding the exodus.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I was going to make some comments to support the amendment of the hon. member for Edmonton West (Mr. Lambert), but I am sure the eloquent words we have just heard from the hon. member for Dauphin (Mr. Ritchie) have impressed all members of the House except, of course, my friends opposite who are beyond all reason in regard to this bill.

Mr. McBride: Try some reason on us.

Mr. Baldwin: I see we are going to hear from our noisy friends opposite.

Mr. Paproski: There is the basic herd right there, Murray McBride. He has milked his last cow in Lanark.

Mr. Baldwin: The hon. gentleman really should not be here. Today is only December 13; he is 18 days too early. The mechanical noisemakers do not arrive until December 31. To get down to facts, Mr. Speaker, I wish to speak about the subamendment offered by my friends in the New Democratic Party. We are going to support it, but we have some reservations. As usual, hon. gentlemen to my left who are long on zeal and short on logic, did not think it through. There are dangers inherent in this subamendment. For example, as I construe the subamendment, it will rule out several cases which the amendment moved by my hon. friend from Edmonton West would cover, for example, a farmer with a quarter or half section of land.

Today I had a letter from a farmer in my area who writes that because of inclement weather conditions in the last three or four years he has had a very small crop, with practically no net return and a very small gross return. The only way he is able to maintain his family is by driving a school bus. As I read the amendment offered by the hon. member for Regina East (Mr. Burton), it would not cover this man. But he would be caught by the amendment in the form moved by the hon. member for Edmonton West. Because of the subamendment of the New Democratic Party, he might well be pushed out of the picture.

• (8:20 p.m.)

The same thing might apply to a widow engaged in school teaching who lives on a farm which she has inherited from her husband. She might not get, under the NDP subamendment, the benefit my hon. friend from Edmonton West envisages in his amendment. So while we support the subamendment, we do so with reservations. Unlike the government, we believe in doing the greatest good for the greatest number of people. Anybody who would vote for this bill without an amendment would not deserve to sit in this House of Commons.

Having made those comments on where we stand on the amendment, I have a few remarks to make. I hope the House will be permitted to divide on this question. I see the Minister of Finance (Mr. Benson) is here. We know he has been a busy little minister in the Senate today, doing his utmost to persuade them. I shall not talk about the means he exercised. It is a black day in this country when the Minister of Finance goes to the other place and pursues the line he took here last Friday and attempts to persuade the other place to put this bill through in a limited time. The minister pretends innocence. He knows very well what he said here last Friday and he knows very well why he went to the other place in an attempt to persuade them in what one hon. senator said was Christmas closure.

Some hon. Member: Oh, oh!

An hon. Member: Shame.

Mr. Baldwin: I am ashamed of the conduct of the Minister of Finance; I really am. However, I shall not pursue this. It is beyond words, Mr. Speaker. Let us reflect on the circumstances under which this vote will be taken, I hope in a short time, and subsequent votes on this bill. We feel this debate should be continued for a reasonable period of time to permit the examination of those parts of the bill which have failed to secure the adequate discussion that we as representatives of the people should have before a bill of this nature is passed. We know why we are not getting it. Today in the House I asked the Prime Minister (Mr. Trudeau) a very simple and very innocent question.

An hon. Member: It would be simple.

Mr. Baldwin: I always ask a simple question of a simple man. I asked the Prime Minister whether the Minister of Manpower and Immigration (Mr. Lang) was enunciating government policy when he said in Saskatoon that the government must exercise additional power, or more control or more power over Parliament. I want to point out that at that time the minister was sitting in his place and the Minister of Manpower and Immigration is by no means reluctant to get up and speak if he thinks he has been misquoted. He sat in his place and never challenged my statement, so I think we may take it that in Saskatoon when addressing some 900 of the faithful he said that in his view the government must exercise more power and more authority over Parliament.

An hon. Member: Right.

Mr. Baldwin: We hear "Right" from over there. Obviously, this is what government backbenchers want. I point out to them and to the hon. member for Bruce (Mr. Whicher), from whom I believe better things should come, that before long they will be sitting over here. It will not take long. At least the ragged remnants of them will be over here. They will be screaming at that time. When we stand up for the rights of Parliament we are standing up for all hon. members, not only ourselves but hon. members opposite as well. They do not have the sense to recognize that. However, getting back to the Prime Minister, as usual he distorted things and tried to pass the question off. He said: "Mr. Speaker, he was perhaps thinking of the motion that the leader of the House was talking to a moment ago."

That motion the President of the Privy Council (Mr. MacEachen) was talking to was a motion for closure. Closure is never far from the mind of the Prime Minister or any hon. member opposite. They want to govern by

closure, by guillotine, by choking us off. I asked the Prime Minister a supplementary question: "Was he also speaking about exercising more control over Parliament, and did he have in mind the Senate as well?"

I am sorry the Minister of Finance has fled from his seat. The Prime Minister answered: "No, Mr. Speaker. I think he had in mind getting rid of some of the useless backbenchers in the opposition parties."

That is the view of the Prime Minister—get rid of the opposition parties and get rid of the backbenchers; they are nobodies. That is the way the government likes to govern, by eliminating the opposition. It is a shameful sight to see the Prime Minister of this country making comments of this kind about the House of Commons. To show that this is not just a flash in the pan, the Prime Minister was in Montreal over the weekend and made a speech there.

Some hon. Members: Hear, hear!

Mr. Baldwin: Mr. Speaker, I usually oppose the slaughter of seals, but when I hear all this howling opposite I am inclined to change my mind. What did the Prime Minister say? I shall not quote. I shall only repeat what an article said:

> Trudeau said the opposition parties called his government arrogant when it tightened up parliamentary rules, but weak and incapable of governing when its bills were debated for weeks in the House of Commons.

The fact of the matter is that both these come together. When you find a government that is weak and incompetent, it is arrogant. It is like an incompetent person who becomes a bully in order to get his way in the world in which he lives. That is the situation of this government. The government has imposed closure. It has brought about by closure the implementation of rule 75C, because it is weak, because it is incompetent and because it cannot operate a parliamentary government in the way it should. That is why this government has exercised its arrogant and stupid action of imposing closure. The Prime Minister has his priorities reversed because the government has been arrogant.

This goes hand in hand with the statement of the Minister of Manpower and Immigration in Saskatoon, the statement of the Prime Minister that he must be master of the House of Commons and that members of the opposition parties are nothings, the statements of the Prime Minister in Montreal and in this House of Commons, and what the government has done in respect of this bill in imposing closure each week for two successive weeks, as well as the action of the Minister of Finance in finagling his way into the Senate to get this bill through at an early date.

• (8:30 p.m.)

Mr. Paproski: Shame on him.

Mr. Baldwin: The Minister of Finance knows that I am speaking the truth. What are the facts? When the guillotine fell last week there were more than 200 clauses and subclauses in this legislative monstrosity on which the question had not been put and which had not been discussed. That is the question which we had to face when for 3½ hours—

Some hon. Members: Oh, oh!

Mr. Baldwin: —this House had to sit here, subjected to the discipline of the guillotine, to have questions put on more than 200 clauses and subclauses in this bill, which had not been discussed.

Some hon. Members: Oh, oh!

An hon. Member: Shame.

Mr. Baldwin: This is one of the darkest chapters in the parliamentary history of Canada.

Some hon. Members: Oh, oh!

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

Mr. Stanfield: I rise on a point of order, Mr. Speaker. My hon. friends opposite are behaving in exactly the same way as their predecessors behaved in 1956.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order, please. I might take this opportunity to invite hon. members to allow the hon. member for Peace River (Mr. Baldwin) to continue his speech. If hon. members want to contest some of the things that are said, I am sure that the House has all the time and they may rise to speak later.

Mr. Baldwin: I thank you for your protection, Mr. Speaker. I just want to follow on what my friend, the Leader of the Opposition (Mr. Stanfield), said, that there will be a parallel to the pipeline debate, that next year the electors of this country will treat this government the way they treated the Liberal government in 1957. At the next election the brazen conduct of this government will not be disregarded.

This is a government which with utmost contempt and disregard for Parliament has fought for the passage of this measure, not understood and not considered, its implications far beyond the intelligence of the minister and his colleagues and certainly beyond the comprehension of the taxpayers of this country. Every taxpayer of this country will require at his side a tax expert in view of the intricacy of this bill. What did we ask? A simple request, an honest and realistic request, that this bill be divided, that part of the bill which we thought was reasonable on matters for which this party, other opposition parties as well as a few members of the government, have been pressing be passed and the rest of the bill not be implemented until a reasonable length of time had elapsed to permit there to be some comprehension of the bill.

Mr. Benson: It simply means you never read it.

Mr. Baldwin: The Minister of Finance said it was not administratively possible. I repeat what I said in the House last week, that any group of people comprising the minister and his advisers who had the deviousness to incorporate between the four corners of one bill the monstrosities which are envisaged in this bill should have no difficulty at all in making those administrative and legislative changes which would have permitted delay of those parts of the bill which we suggested should be delayed until some time next year. It was only an excuse.

What is involved is the prestige of this government. There is no question about it. They lost the bill dealing with the Auditor General; they lost Bill C-244, they lost Bill C-176 and they lost one or two other measures. There are on the order paper a number of legislative items which will expire when the session expires, and the government said that they dare not, cannot and must not allow this session to pass without this bill going through. That is the only reason the government put it through.

Mr. Benson: It is the only reason for your action.

Mr. Baldwin: No, Mr. Speaker. The minister said last Friday that there would be a large number of amendments, and I am sure he repeated that in the Senate today. I have not had a chance to read what he told the Senate, but I would be inclined to believe that the minister said there would be a large number of amendments. I see the minister making notes. I would be glad if he would stand up and say that he does not intend to bring in a large number of amendments next year. He knows that he will be doing so.

Mr. Stanfield: He has no idea what he is going to do.

Mr. Baldwin: A shocking admission of ineptitude! There has been a suggestion to the Senate that they should cease and desist from any challenge to this legislation and from making any proposals for change. That is what the minister is trying to persuade the Senate to do. The minister can shake his head until he is blue in the face but he, I and other members in the House know.

How dare the minister and the government act in this way at this time? It is a shocking and a shameful thing. So far as we are concerned, if we could have got other parties to go along with this we would have been quite prepared to put forward a time limit which would have allowed for reasonable debate and discussion of all particular areas which in our view needed further clarification and further delay—

An hon. Member: How much time?

Mr. Baldwin: —and to consider over 200 clauses and subclauses which have never been considered.

Mr. Benson: It is your fault.

Mr. Stanfield: There would not be enough time for the minister to understand the bill.

Mr. Ricard: You would not understand anything after five years.

Mr. Baldwin: To paraphrase Thoreau, after this bill is passed the taxpayers of this country will live lives of quiet desperation. I should like to end on the note that this bill, together with some of the other bills with which the government has threatened the country, shows what their point of view is. I suggest to this House and to the country that a society designed to present its members with adequate opportunity to achieve identity, stimulation and security will survive the trials of group selection.

What we must have is a provision which will enable the maximum development of all members of the society. A society which fails in this psychological test is not the kind of society we want, but it is the kind of society which the government is offering the people of Canada. Mr. Speaker, we reject it and I suggest, through you, to the House and to the people of Canada that in the next election the people of Canada will also reject it.

Mr. Speaker: Is the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) rising for the purpose of asking a question? The hon. member can ask a question if the hon. member who had the floor would allow it.

Mr. Baldwin: Yes, Mr. Speaker.

Mr. McBride: Thank you, Mr. Speaker. I wonder, before the hon. member for Peace River (Mr. Baldwin) resumes his seat, if he would be kind enough to give a ball-park figure as to the amount of time he had in mind. I ask the question in all seriousness, assuming that he would be responsible when he said that if we had had more time to debate the bill we would have done a better job. How much time had the hon. member in mind, in terms of weeks or months?

• (8:40 p.m.)

Mr. Baldwin: Mr. Speaker, my first retort is, why the devil didn't the hon. member ask this question before closure was imposed?

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, we are now considering Bill C-259, the short title of which is: "An act to amend the Income Tax Act". Looking in all directions, we can see that our friends are very anxiously and impatiently waiting for the guillotine to fall.

I suggest, Mr. Speaker, that in 1971, when there are signs of improvement in every area, it is regrettable and painful that a government supported by the force of the majority should feel compelled to resort to the guillotine.

Those who have promised Canadians to bring about the just society are so weak that they are forced to tell opposition members who seek to protect the people by all possible means, that they have only one defensive weapon which is to silence the opposition.

Mr. Speaker, I have keenly followed the question. Indeed, I have read numerous publications issued by workers and farmers, the Canadian Bar Association, accountants, industrialists, teachers, co-operatives, and manufacturing associations. Nowhere did I find a favourable comment or an appreciative remark for Bill C-259. All these publications have been clearly hostile to and have entirely disapproved Bill C-259.

Far from being an improvement Bill C-259 tends to confuse the average citizen. The taxpayer who until now could complete his income tax return all by himself will be unable to get past the first page of his return and our hon. friends opposite, the Liberals, are trying to convince the population that this is an improvement.

We of the Progressive Conservative party have always said that more generous personal exemptions should be granted by the government to small and middle class taxpayers.

The hon. leader of the opposition (Mr. Stanfield) who will soon be the right hon. Prime Minister of Canada started his fight with the introduction of the white paper. Our hon. friends opposite mocked him; they went to radio

and television stations and to newspapers and said, "Stanfield is preaching in the wilderness". By using all sorts of sketches attempts were made to try and persuade the population that the leader of the opposition did not know what he was talking about. A few months later, our hon. friends opposite with the minister of Finance (Mr. Benson) leading the way had to recognize that there was ground to lead the campaign in favour of the people of Canada.

Mr. Speaker, if we were right in our opposition to the white paper we are surely right in our opposition to Bill C-259 since this bill can bring nothing but malediction.

Once more, under the leadership of my hon. leader, we asked the government not to deprive ordinary citizens of the exemptions they are entitled to and, for that purpose, we urged that the bill be divided into two parts. But the Liberal members cannot possibly feel the nation's pulse—estranged from the people as they have been for a long time now—and do not want to listen to reason.

A few months ago, my hon. friend the Minister of Labour (Mr. Mackasey) maintained that one needed courage to create unemployment. The Liberals keep on creating distress among the people since they refuse to recognize their rights and privileges.

How can one believe that Bil C-259 reflects the people's desires when the Minister of Finance himself told the Canadian people that, whether they like it or not, the bill would become law on January 1, 1972? How can one believe that he was right when he himself introduced, after some time, about 100 amendments to the bill and later on amendments to those amendments, while saying that when this monstrosity becomes effective, it will still need improvements? How can we believe that the Minister of Finance and such back-benchers as the member for Bonaventure, who are doing their utmost to have this legislation passed, are well-disposed towards the population—

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker—

Mr. Speaker: Order. The member for Bonaventure-Îles-de-la-Madeleine on a point of order.

Mr. Béchard: Mr. Speaker, on a point of order.

The hon. member for Saint-Hyacinthe, who claims to know Quebec inside out, should also know hon. members' constituencies. The Bonaventure constituency should properly be called Bonaventure-Îles-de-la-Madeleine.

Mr. Ricard: Mr. Speaker, what a point of order! I would like to ask immediately the member for Bonaventure and Gaspé what part of this monstrosity is going to improve the farmers' and the small industrialists' lot, which part of the bill he will support whole heartedly since he is blind and more devoted to his party than to his country? How is this bill bringing some relief to the small employee who will keep on being taxed? How will this bill bring any improvement to the Canadians? The minister and all the Liberals will keep on praising their leader—

Some hon. Members: Hear, hear!

Mr. Ricard: Mr. Speaker, I am glad to see them applauding because only a few years ago they called him a stupid ass. Are they going to keep on applauding? Mr. Speaker, when a majority government has to use a gag to prevent those who defend the people from speaking, the time has come to worry and to raise one's voice.

• (8:50 p.m.)

[*English*]

Mr. Baldwin: Question.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, I certainly do not intend to become partisan on the issue that is before us.

Some hon. Members: Oh, oh!

Mr. Cafik: We are discussing Bill C-259. When the white paper on tax reform was proposed in this House on November 7, 1969, I decided that the issue of tax reform would probably be the most important single issue on which I would ever have to cast a ballot for or against as a Member of Parliament.

Mr. Alexander: The hon. member is breaking my heart.

Mr. Cafik: I decided to do something positive about this, namely, to set up a riding tax committee of a non-partisan nature to study this matter, so that I could make a decision, not based on partisan considerations but on what I felt was in the best national interests of the people of this country. This tax committee consisted of approximately 20 members, a number of whom were certainly from outside my party, some of whom were from outside my riding and two of whom had worked with the Carter commission when this subject was being studied.

We studied this white paper for almost one year. Following our studies as a committee, I took this problem, along with recommendations that we had tentatively arrived at, to the people of my riding. We called a series of meetings from one end of the riding to the other. My riding is not as big as some; it is roughly 100 miles long and embraces 17 municipalities. I had meetings convened in each area. Some meetings were attended by large groups; others, in the southern area of the riding were not so well attended. None the less, we presented to the people the proposals of the white paper as well as our committee position. As a consequence of the reaction to these proposals presented by the committee, we adjusted our position a little. We did so as a result of the input by the people of the riding who did not belong to the select committee.

On November 10, 1970, our committee met with the Minister of Finance (Mr. Benson) as a group. We presented a report to him in which we made 21 recommendations for basic changes. Some of those recommendations paralleled those which had been made by the standing committee of the House of Commons, although other recommendations were totally different. For instance, our committee was totally opposed to the principle of integration whereas the parliamentary committee was not. We liked the principle in theory but we could see no possible way of implementing it in practice.

Mr. Forrestall: How are you going to vote?

Mr. Cafik: Of the 21 proposals we made, and I will not go into details at the moment, 15 were accepted by the government in whole or in part and six were rejected.

Mr. Forrestall: How are you going to vote?

Mr. Cafik: On June 30, when the new proposals were tabled in the House of Commons, our committee met again. We decided that we had to look at the whole thing again. We again convened a series of meetings in my riding at which we discussed these tax proposals. We came forward with a number of recommendations. It was understood at that time that the government would be proposing a series of amendments. We of the committee were concerned, as I was in my capacity as a Member of Parliament, about that particular proposition. I understood that the amendments would be tabled one at a time as the various clauses were being dealt with.

Our committee, myself included, made recommendations to the minister and persuaded him, as did many others, that this was an unwholesome thing to do, that it was unfair to Members of Parliament and that these amendments should be tabled at the earliest possible moment. I am happy to say that this was actually done in cases where it could be done.

The second thing that was decided was that in view of the complexity of this bill and the difficulty that many individuals and even experts would face in interpreting it, it was necessary—

Mr. Alexander: You are stealing our lines.

Mr. Cafik: Long before the hon. member thought of them, we had proposed them. These ideas came from the work of our own committee.

Mr. Alexander: The hon. member is just repeating them.

Mr. Cafik: I put forward a proposition that none of you guys put forward, and you want to talk about stealing lines!

Mr. Alexander: Refer to us as hon. members, please.

Mr. Cafik: I proposed, Mr. Speaker, that the government should commit itself to bringing forward interpretative regulations.

Mr. Forrestall: What does that mean?

Mr. Cafik: These were to be put forward within two years following passage of the act.

An hon. Member: Explain.

Mr. Cafik: Interpretative regulations, as I understand the term in relation to this particular act, would simply interpret every section of the act. An interpretative regulation would accompany every section of the act and give examples as to how in law the section would apply.

An. hon. Member: But the bill is over 700 pages long.

Mr. Cafik: There might be more than 700 pages involved. Anybody wanting to interpret this act could do so if he did not mind doing a little reading.

Mr. Paproski: Why did the hon. member not say that to the Minister of Finance (Mr. Benson)?

Mr. Cafik: I did.

Mr. Paproski: And what did he say?

Mr. Forrestall: "Go home," that's what he said.

Mr. Alexander: What did he say?

Mr. Forrestall: Yes, tell us.

Some hon. Members: Oh, oh!

Mr. Cafik: Mr. Speaker, I wonder if we could a little order. I will carry on and if at the end of my few remarks hon. members wish to ask questions, perhaps I will answer.

Mr. Speaker: Order, please. The hon. member is trying to make a speech.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. members to my left are making it difficult for the Chair to listen to the speech being made. In all justice and fairness I think the hon. member should be permitted to make his speech.

Some hon. Members: Hear, hear!

Mr. Cafik: In addition to proposing that set of interpretative regulations we felt, since it would take a long time to implement such a scheme, that a system of advance rulings ought to be set up immediately on passage of the act. These, we suggested, should have the force of law and give legal interpretations up until such time as the regulations themselves were tabled in the House.

Mr. Alexander: And what did the minister say to that?

Mr. Cafik: I am pleased about one thing. At least we have set up a system of advance rulings.

Mr. Forrestall: Where?

Mr. Cafik: I am still hopeful that the government will agree to establish interpretative regulations. Frankly, I wish that the government had agreed to this. I am still hopeful that they will be established.

Mr. Alexander: Don't hold your breath.

Mr. Cafik: That has been done in other countries. Since this tax act is so complicated and difficult to interpret, it seems to me that interpretative regulations are absolutely necessary.

An hon. Member: You should be in the opposition.

Mr. Speaker: I see the hon. member for Hamilton West (Mr. Alexander) rising to ask a question. He may ask it if he has the permission of the hon. member who has the floor.

Mr. Cafik: Mr. Speaker, I would be delighted to entertain questions after I have finished. If the hon. member will make a note of his question, perhaps he can ask it then. In that committee—I am talking about the second stage of that committee's life, or phase two, so to speak—we spent a great deal of time talking about the possible date of implementation of this act.

We also discussed the advisability of splitting the bill. This is something that other hon. members have suggested. We wondered whether the government, by splitting the bill, ought to pass the goodies and forget the rest for the

time being. In any event, our committee, which certainly was not partisan, agreed that it was absolutely essential to pass this bill as quickly as possible in order to end much of the confusion created among the business community right across the country as a result of the participatory approach that had been adopted with the white paper. Our committee felt that the bill should not be split. We felt it was essential to get it through as quickly as possible in order to end the confusion that presently exists.

• (9:00 p.m.)

Another point I would like to mention is that although our committee never made any recommendations in this regard, I certainly made recommendations. This is in connection with the tax measures for co-operatives and credit unions. I know many other members did the same. I am delighted that the government has seen fit to put forward an amendment in which there is now a 15 per cent patronage dividend withholding tax on patronage dividends on $100 or more on individual items. Frankly, I think this meets the majority of the objections that have been put forward by co-operatives and credit unions. I was very concerned about their anxiety over this section, particularly because of my involvement in the credit union movement. I thank the government for the amendment they put forward.

Mr. Forrestall: Where you here on second reading?

Mr. Cafik: Someone asked where I was on second reading. I was certainly around here.

Mr. Forrestall: We did not hear from you then.

Mr. Cafik: I felt a little more confidence in what the government would do than perhaps some others. I think in this case—

Mr. Forrestall: Oh!

Mr. Cafik: In closing—

Mr. Forrestall: Hear, hear!

Mr. Cafik: —I want to talk about one point that has been made repeatedly. That is the charge that the government has invoked closure on this bill and this is a bad thing. The House leader of the official opposition used the term "closure" in the debate tonight. As a House leader, I am sure he knows the rules as well or better than most of us. He knows it is a time allocation, not closure.

Mr. Forrestall: Shame.

Mr. Cafik: Rule 75C is a time allocation. Frankly, I have been advocating the use of 75C for some time, not only on this bill but on some others. I am here to defend that.

Mr. Ricard: Why delay it? Do it now.

Mr. Cafik: Governments have a responsibility to govern. I believe it is essential that we program the time of this House so that we get the maximum benefit possible for the people of Canada without excessive delays. I do not think that is unreasonable. I do not think rule 75C should be used to stifle debate but to do what it is designed to do, namely, limit debate without being excessive. In a democracy we have to assume our responsibility of coming to a point where we can in fact make decisions. I have no objection to the use of rule 75C. I recommend that the precedent in this case be used in many cases in the future. I have been here three years. I have heard a lot of debate which I felt went on much longer than the public interest demanded in just plain discussion.

Mr. Forrestall: What you are saying tonight—

Mr. Speaker: Order.

Mr. Forrestall: —is not you speaking.

Mr. Speaker: Can we have order. Hon. members should know that when one hon. member has the floor, he should be allowed to speak. There is no justification and no excuse—

Mr. Forrestall: That is just so much—

Mr. Speaker: If the hon. member will not allow the hon. member for Ontario to make a speech, he should let the Chair make comments and bring to the attention of hon. members that the hon. member for Ontario (Mr. Cafik) has the floor.

Mr. Cafik: Before I close, Mr. Speaker, I wish to comment on the interruptions. I am sure that those on my tax committee in my constituency who belong to the Conservative Party, and there are a number, would find it difficult to understand how we can treat this kind of problem in such a totally partisan way. I am not proud of that fact and I am sure they would not be proud of it either. I believe the people of Canada are pleased and fortunate that we are willing to take a decision, difficult as it may be, to force this matter to a vote so that Canadians can have the advantages which this tax proposal offers them, particularly those in the low income groups who need it most.

Mr. Alexander: Mr. Speaker, I rise only for the purpose of asking a question. I am very impressed with the hon. member's appreciation of the role of the opposition. After hearing from the champion of democracy I want to ask him one question. He continuously referred to his idea, or that of his committee, about bringing in interpretative regulations. As I understand it, he had some discussion with the Minister of Finance (Mr. Benson). We are all anxious to hear the answer regarding this submission by the member and his committee. I am surprised he did not give us any indication of the minister's thinking in this regard, because the member thought it was such a great idea. I hope he can elaborate and help us to understand what occurred.

Mr. Cafik: Mr. Speaker, I think that is a very fair question and deserves an answer. When I spoke with the Minister of Finance about the need to set up interpretative regulations, we discussed the matter for some time. He indicated the government would be bringing forward these advance rulings and this might well serve the purpose I had in mind. Frankly, I did not entirely agree. We discussed the matter further. He indicated something to me which I already knew, that it was an extremely difficult task to bring down interpretative regulations for such a large act, certainly if it was simultaneously tabling it in the House.

I am convinced that the matter is not entirely forgotten. I think it is worth while. I look forward to the Minister of National Revenue (Mr. Gray) perhaps bringing forward those regulations at a future date. If the hon. member thinks it is a good idea, I am sure with pressure from him, myself and other members, this might become a reality.

Some hon. Members: Question.

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

Some hon. Members: Question.

Mr. Speaker: The question is on the subamendment. All those in favour of the subamendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the amendment to the amendment (Mr. Burton) which was negatived on the following division:

• (9:10 p.m.)

Division

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Bell
Benjamin
Bigg
Blackburn
Brewin
Burton
Carter
Coates
Crouse
Danforth
Dinsdale
Dionne
Fairweather
Flemming
Fortin
Gauthier
Gleave
Harding
Harkness
Horner
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Mazankowski
Monteith
Muir
Murta
Nesbitt
Nowlan
Paproski
Peddle
Peters
Ricard
Ritchie
Rose
Rowland
Saltsman
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart Marquette)
Tétrault
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Winch
Yewchuk—71.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Breau
Buchanan
Caccia
Cafik
Clermont
Cobbe
Corriveau
Cullen
Cyr
Danson
Davis
Deachman
De Bané
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gervais
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McNulty
Mahoney
Marceau
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richardson
Rochon
Roy (Timmins)
Roy (Laval)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—92.

• (9:40 p.m.)

Mr. Speaker: I declare the subamendment lost. The question is now on the amendment to the main motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Is it the wish of the House that we proceed to the vote without the ringing of the bells?

Division

Some hon. Members: Agreed.

The House divided on the amendment (Mr. Lambert, Edmonton West) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Bell
Benjamin
Bigg
Blackburn
Brewin
Burton
Carter
Coates
Crouse
Danforth
Dinsdale
Dionne
Fairweather
Flemming
Fortin
Gauthier
Gleave
Harding
Harkness
Horner
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacKay
Macquarrie
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Mazankowski
Monteith
Muir
Murta
Nesbitt
Nowlan
Paproski
Peddle
Peters
Ricard
Ritchie
Rose
Rowland
Saltsman
Scott
Simpson
Skoberg
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Winch
Yewchuk—71.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Béchard
Benson
Blair
Blouin
Borrie
Breau
Buchanan
Caccia
Cafik
Clermont
Cobbe
Corriveau
Côté (Longueuil)
Cullen
Cyr
Danson
Davis
Deachman
De Bané
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gervais
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Legault
Lessard (LaSalle)
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McNulty
Mahoney
Marceau
Marchand (Kamloops-Cariboo)
Morison
Munro
O'Connell
Olson
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richardson
Rochon
Roy (Timmins)
Roy (Laval)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—93.

[Mr. Speaker.]

• (9:50 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the few minutes that are left this evening I shall at least be able to present the amendment to the motion for third reading which we would like the House to consider, and by hearing the amendment tonight hon. members will have an opportunity to think about it.

It is clear that this bill has occasioned debate in a good many areas. It has done so with respect to the things that are in it and the things that are not in it, with respect to its complexities and its incomprehensibility and also with respect to the manner in which it is being put to Parliament. In my view, sir, when the debate is all over, if there is one issue that will be of concern to the largest number of Canadians it is the fact that after 22 years, when the present government got around to doing something about the exemption levels in the Income Tax Act, all it could do was to raise those levels to $1,500 single and $2,850 married.

Considering the fact that it was in 1949 that the present levels of $1,000 single and $2,000 married were set, we feel, and I believe the people of Canada agree with us, that it is an insult for the government to raise the levels by only the amounts indicated in this bill.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It is also our view that this was an excellent time for the government to deal with the matter that is usually covered by adjusting the exemption levels by using the technique of a tax credit. When we were in committee of the whole dealing with clause 1 of the bill I presented an amendment which was accepted by the Chair and voted upon but which at that time was defeated by a vote of 64 to 42.

It is my hope that with the larger attendance that we get in the House, and with members having had an opportunity to think the matter over, the result might be different. It has been indicated from the Chair that to try to amend this bill to raise the exemption levels would be out of order, but it was also indicated to us when we were in committee of the whole that we could seek to amend it by reducing any rate of tax, provided we made such a reduction across the board. That is why I proposed in committee of the whole that the rate on the first $500 of taxable income be reduced from 17 per cent to 2 per cent and that a corresponding reduction of $75 be made in each of the brackets from the first one up to the top.

I propose to ask the House to vote for a motion that would instruct the committee of the whole to reconsider this proposition. Therefore, I should now like to move my amendment if Your Honour would permit me to do so. I would be happy to continue my remarks when we return to the bill tomorrow.

Mr. Speaker: Order, please. The hon. member should really wait until the end of his remarks before making his motion. He might want to indicate what his motion would be, but he might find himself in procedural difficulty. The hon. member might indicate his motion and resume his remarks tomorrow. The hon. member has another 30 seconds before adjournment.

Mr. Knowles (Winnipeg North Centre): I am quite happy to do it that way, Mr. Speaker. At the end of my remarks I shall move:

That Bill C-259 be not now read a third time, but that it be referred back to the committee of the whole House for the purpose of reconsidering the proposed new section 117(1) as set out in clause 1 on pages 313 and 314, and in particular for the purpose of reconsidering the changing of the figure "17%" in line 33 on page 313 to "2%" and consequentially reducing the amount at the beginning of each of the paragraphs (b) to (m), both inclusive, on page 314, by $75.

Sir, I see it is ten o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—CANADIAN FOREIGN AID PROGRAM—SHIPMENT OF GOODS THROUGH CANADIAN BROKERS

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, a few days ago this House gave approval to a supplementary estimate with regard to the Canadian International Development Agency for the sum of $22 million, thus bringing up to $215 million the amount of money that this country would make available to that agency.

I think all Canadians can take satisfaction from the fact that over the past decade there has been a steady climb in the amount of money that we are making available for international aid. Some of the $215 million is comprised of economic assistance which includes the provision of commodities, equipment and food, and some of the CIDA program consists of international emergency relief. I am told on what I regard as very reliable authority that any commodity shipments under CIDA are arranged through New York brokers, and that in turn usually means that they go forth on foreign ships. I am enough of a Canadian patriot to imagine that somewhere in this world people who need Canadian assistance would prefer to see that assistance coming to them in a ship that sails under the Canadian flag. Hence my question at the end of November, and a further exchange on December 6, in which the Secretary of State for External Affairs (Mr. Sharp) replied:

• (10:00 p.m.)

The policy of permitting Canadian funds to be used for ocean shipping is relatively new and to date has only been applied to a few countries. However, in so far as gifts or grants are concerned, the policy is to pass all work possible to Canadian brokers or Canadian forwarders. Further, where the schedules, rates and availability of Canadian-owned shipping companies permit, contracts are awarded to such shipping companies.

It may come as a fearful shock and surprise to you, Mr. Speaker, situated as you are in the city of Cornwall and able to watch the traffic going by your door, so to speak, to learn that Canada has really only two foreign-going freighters at present under the Canadian flag. One is the *Federal Hudson* and the other is the *Global Envoy.* Another vessel which can possibly qualify is the *Cabatern,* which is a clean oil tanker.

The *Federal Hudson* is now used by the Canadian National system as a car ferry. The *Global Envoy* is tied up for lack of work at Sorel, Quebec, although I understand it is one of the best equipped ships of its kind registered under the Canadian flag. The *Cabatern,* the clean oil tanker, is tied up in Toronto with nothing in sight, so that the Canadian foreign-going merchant marine, such as it is, is a somewhat small thing and a somewhat idle thing at the present time. Furthermore, my sources say that they know of no Canadian brokers handling these foreign aid shipments, they know of no Canadian ships carrying them and they would like the government to identify both the brokers and the

It may be noted that we have got out of the carrying business and that our merchant fleet, such as it was during the war, has now shrunk very considerably. So we are not a maritime-minded nation at all although we have one of the longest coastlines in the world. We are rapidly getting out of the manufacturing business and leaving that to other countries. But we are not hewers of wood and carriers of water. The people to whom I have talked about these CIDA shipments are asking exactly what have we become?

I hope that whoever replies will provide some identification of the brokers, some identification of the Canadian ships and the CIDA cargoes that are being carried to other countries. I give notice that I will follow this matter up, since it seems to me to be something that anybody with an ounce of Canadian nationalism in him can develop, when the CIDA estimates come before the external affairs committee next year.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, in answer

to the hon. member for Halifax-East Hants, I must say that Canadian policy, with regard to contracts awarded for the shipment of goods provided under the Canadian foreign aid program is regulated by a set of criteria established by CIDA. The standards apply to the procedure of payment for ocean shipping and insurance. Ocean shipping and insurance are contracted through Canadian brokers and forwarders. The shipment is made from Canadian ports.

In view of the limited number of Canadian ships registered in the Canadian merchant marine, it is very often impossible to use a Canadian ship for the shipment of those goods. The Canadian broker then makes arrangements to ship the supplies on any ship available, whatever its nationality. Therefore, I can only assert once again that shipments are made through Canadian brokers and on Canadian ships when the latter are available. In any case, the primary concern is to ensure delivery of the supplies in accordance with the time limit set for the execution of the project and to meet priority requirements of recipient countries.

[*English*]

EXTERNAL AFFAIRS—FISHERIES TREATY WITH NORWAY—REQUEST FOR OPPORTUNITY TO DISCUSS TERMS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, the Canada-Norway fishing and sealing agreements which were signed on July 15 of this year and tabled in the House of Commons on December 2, because someone other than the Canadian government had made them public have caused and will continue to cause much concern. I am glad that the Minister of the Environment (Mr. Davis) is in his place tonight to answer some questions. Members of Parliament from Canada's east coast appear to be upset because the agreement will permit Norway to take seals within Canadian territorial waters three miles from land.

Mr. McGrath: Shame.

Mrs. MacInnis: These members, and no doubt some other members across Canada, approve the annual seal slaughter. Their main concern is to keep a monopoly of it in this country. My concern is quite different. Along with a growing number of people, not only in Canada but throughout the world, I want to see this wholesale massacre eliminated. To the extent that this Canada-Norway agreement will protect the seal stocks of the Atlantic, as the Minister of the Environment claims it will, I think the agreement is a forward step.

Before I may be sure of that, I have a number of questions that I wish to ask. That is why I pressed the Secretary of State for External Affairs (Mr. Sharp) to say whether or not the government will give us an opportunity to debate the terms of the agreement in Parliament before it is ratified. From his reply I have gathered that we will not get this chance. Therefore, I must ask a few questions tonight. The rest will have to wait for a later occasion.

Is the Minister of the Environment satisfied that this agreement will save the harp seal population from extinction? I have seen estimates showing that the number of harp seals in the gulf and in the front were cut sharply from 3¼ million in 1950 to 1½ million in 1970, a reduction of over 50 per cent in 20 years. At least one marine biologist has warned that the species will be extinct in 12 years' time if the present rate of kill is maintained. What is to prevent the harp seal going the same route as the now extinct sea otter, the passenger pigeon or any one of the other 66 gravely endangered species listed by the Canadian Wildlife Federation?

The Canadian Wildlife Federation is a non-profit organization and therefore capable of a judgment uncoloured by the desire to kill these creatures for monetary gain. Is the name of its representative among those of the Canadian delegates to the Canada-Norway negotiations which took place in Ottawa last April and which led to the fishing agreement in July? It is not. Eight of the twelve names are those of federal government departmental officials. The ninth comes from the Fisheries Council of Canada, an industry-oriented organization. The tenth is a director of a Canadian subsidiary of a New York fur importing company. Between them, parent and subsidiary take Canadian seal skins or products to Norway and the United States. The last two names represent a sealing vessel firm operating out of Halifax, one of these men, I am told, being the Norwegian consul for the port of Halifax.

In view of such heavy representation of sealing interests on the body which negotiated the Canada-Norway agreement, is it any wonder that people have misgivings about the value of that agreement as a conservation measure? Similar questions arise in the memo issued last May by the World Federation for the Protection of Animals, the headquarters of which are in Zurich, Switzerland. The memo was sent to the International Commission for the Northwest Atlantic Fisheries and was on the subject of seal killing. It emphasized that the harp seal appears to be in grave danger of not surviving just at the time when its value to the regional ecology is being established. If a greatly reduced quota for seal killing is introduced, the viability of commercial sealing will be threatened in any case. The memo concludes:

> Sealing has not been justified on statistical, commercial, ecological nor any other grounds—Sealing only produces products for which synthetic alternatives are available—It has clearly become an unacceptable anachronism and should be ended.

I repeat, this is the opinion of an international body, the World Federation for the Protection of Animals, with headquarters at Zurich, Switzerland. I conclude by again expressing my conviction that a debate on this whole matter in Parliament is long overdue. Not only the citizens of Canada but people all over the world are concerned about protecting the ecology and the wildlife that makes human life possible.

• (10:10 p.m.)

This matter has many facets. I have touched on only one this evening. There are others, perhaps on the east coast of Canada, that are also interesting. Members who represent that area should have a right to bring out the facts in this matter. We should air all angles of this subject before it is finally settled. This is a matter of great concern to Canadians. I see no reason why we should not have an opportunity to give it a very thorough investigation before this treaty is finally ratified.

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, this is a big country. It is populated by people who make their living in very different ways. People on the east coast, particularly on the Labrador and northeastern coast of Newfoundland, earn their livelihood by fishing and occasionally by sealing. To them, the seal problem, if I may call it that, is a matter of whether they are going to eat well. To people on Canada's west coast it is another spectacle which appears over television, something about which they would like to know a great deal more and something which they are genuinely concerned about. I refer to the possible extinction of a species. They are not directly concerned with sealing as a source of livelihood. For many people on the east coast it provides up to half their income. This is a matter of real concern to them, rather than curiosity or alarm, as is the case with many well-meaning people in other parts of Canada.

Ninety per cent of the correspondence relative to seals comes from foreign countries with a high standard of living. Of the letters that come from Canadian sources, 80 per cent come from Toronto, Vancouver and to a lesser extent Montreal. Very few letters come from the Atlantic region. Nearly all of the latter say that the seal hunt should be continued. Last year we received 1,000 letters from Canadians. Only 2 per cent of those letters came from areas which are heavily dependent on sealing.

Our main concern, where we are considering this hunt which is essential to the Eskimo people, native Indian people and to others living in outport areas, is whether the seal herds will become extinct as a result of hunting. A special committee was set up under Dr. Keith Ronald of Guelph University. It is nammed by international experts. This committee will be reporting to us within the next few weeks. It is taking an objective look at the whole situation, not only in respect to the animal populations, but also as to the cruelty or otherwise of the hunt. When this report is received, it will be published. We will all have an opportunity to debate it.

With regard to the Canada-Norway agreement, it applies in the North-Atlantic, not in the Gulf of St. Lawrence. We are referring essentielly to those seals which are often found outside of Canadian waters. It is necessary to have an agreement with Norway to assure that the total herd is protected. That is the main reason for the Canada-Norway agreement. I believe there should be a debate on this subject. We will shortly have a lot more information from international experts. Meanwhile, I expect the Canada-Norway agreement to work because we will all be relying on international experts to protect the seal herd from extinction.

REGIONAL ECONOMIC EXPANSION—SUGGESTED RESIGNATION OF MINISTER

Mr. James A. McGrath (St. John's East): Mr. Speaker, on December 8 I directed a question to the Minister of Regional Economic Expansion (Mr. Marchand), one of a series of questions I have been putting to the minister lately. It was prompted by the November unemployment figures released by Statistics Canada and it had to do with the growing rate of unemployment in the Atlantic provinces and the failure of the government's regional development policies to have any marked effect.

Out of a sense of frustration, and because of my failure and the failure of other hon. members to get worth-while answers or information from the minister, I suggested that the hon. gentleman give consideration to resigning because it appears his policies are not working.

Some hon. Members: Hear, hear!

Mr. McGrath: Perhaps there is no better way of summing up the situation than to quote the Prime Minister of Quebec, as reported on November 20 by Canadian Press, without doubt the most reliable press agency in Canada. The Prime minister of Quebec is reported as saying:

> Regional disparities . . . have not yet been affected by federal policies after three and one-half years of power. The gaps are still the same, even if there has been slight progress in the case of Quebec.

As I say, what prompted my latest question were the new employment figures. I think it would be worth while to place them on record because they show a continuing and serious escalation. As a matter of fact, a pattern has been developing over the last five years, a period during which regional development policies are suppored to have been taking effect. In the case of the Atlantic provinces as a whole, the figure for November was 9.7 per cent, seasonally adjusted, as rate opposed to 7.6 per cent for the previous year.

The figures break down as follows. The rate for Newfoundland was 11.4 per cent as opposed to 9.1 per cent for the previous year. In Prince Edward Island it was 7.5 per cent as compared with 5.6 per cent for the previous year. In Nova Scotia it was 7.4 per cent as compared with 4.9 per cent. In New Brunswick it was 6.5 per cent as against 6.2 per cent. Newfoundland, with the highest rate of 11.4 per cent, and Prince Edward Island with the second highest rate of 7.5 per cent, are two of the provinces to which substantial sums have been directed under the regional economic expansion policy. The total number of unemployed in the Atlantic provinces stands at 54,000 as compared with 42,000 last year. Increases of this order continue right down the line on the basis of the provincial breakdown.

Is it any wonder we are frustrated? We are frustrated because we are supposed to be witnessing the effects of a regional development policy and our efforts to get meaningful answers from the minister have failed. We are frustrated in our efforts to get the minister to address himself to the fact that despite the pumping of substantial sums of federal money under the regional development program into the four Atlantic provinces, the rate of unemployment continues to increase.

Meanwhile, there has been criticism from the Atlantic Provinces Economic Council, the Atlantic Development Council, the Canadian Chamber of Commerce and economists in the area. I can think of nobody across the country who has had a kind word to say about the way in which the government is going about this program of trying to end regional disparity.

• (10:20 p.m.)

The best we can get from the minister at any time criticism is levelled at the program, or any time the minister attempts to address himself to these criticisms, is veiled threats to withdraw the program. I do not think that is good enough. If the program is worth while, it must

stand the examination of critics. It must also be able to withstand the constructive criticism that can only help the program.

The *Evening Telegram* for October 14, 1971, carried a press despatch, again a Canadian Press despatch, headlined "Government prepared to withdraw DREE, Marchand tells critics" and in a direct quotation reports the minister as saying:

> But if it is established that our whole program is not serving any useful purpose, of course well withdraw it.

The minister made a similar statement a few months previous to this in Charlottetown when he met with the premiers of the three maritime provinces. I maintain that the minister should be addressing himself to this problem and responding and reacting to the constructive criticism that have been levelled at the program both in this House and across the country. Cynical though the minister is, he knows we all want this program to work. It must work. It is our only hope. In the Atlantic provinces it is the only program we have; consequently, we want to try to improve it.

This is why we direct constructive criticism at the minister. However, we are frustrated in our attempts because the minister refuses to answer questions in this House. He also refuses to respond to the recommendations made by his own agencies, agencies that have been empowered by Parliament under statute to advise the minister. I think now of the Atlantic Development Council and the Canadian Rural Development Council. Both these agencies have made constructive criticisms of the program, yet the minister has refused to make any policy statement on the recommendations that have been made. I believe that in light of this evidence the minister either has to respond by making a statement in this House or he has no alternative but to offer his resignation.

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, the hon. member for St. John's East (Mr. McGrath) said three times in his speech that there was secrecy in this department. A little like the kink in "Alice", he seems to believe that because he says something three times it must be true. It was also notable that he offered not one single example in his speech of a situation where he was refused information or knowledge. In fact, this department is as forthcoming as any other in providing the information members want to receive about this program.

The hon. member indicated that over the past five years there have been the difficulties to which he referred regarding employment rates. He seems to belong to that school of thought that believes in using magic as one approach to solving a problem. I would remind him that these problems have developed over the course of well over 100 years. Yet he seems to think that within the short space of the 2½ years during which this department has been operating it should be able to resolve the problems to which he refers.

The department is under no illusion that these objectives can be accomplished overnight. The deep-rooted problems of decades cannot be swept away in one or two years. The minister has emphasized over and over again that it will take at least 15 years before the programs which were put in place in 1969 will have brought the slow-growth regions to the point at which they are ready to take off into self-sustaining growth.

Consequently, criticisms of the department which assert that our programs have little or no impact on regional disparities are simply misdirected. Such criticisms accuse us of not having achieved in 2½ years—or, as the hon. member would have it, five years; this department has been in existence for only 2½ years—what we always said would take up to 15 years to accomplish. Moreover, by clamouring for dramatic results long before such results can reasonably be expected, the critics are doing a great disservice to regional policy in this country. They are tending to undermine programs which have barely had a chance to get properly off the ground. I would be delighted to receive from the hon. member some constructive suggestions about how to improve the programs of the department. In the various encounters that we have had on the "late show" I have not heard one constructive suggestion coming from the hon. member regarding how these programs can be improved.

Moreover, the available data do not support the contention that departmental programs are having no effect on regional disparities. In fact, there are already encouraging signs that our programs are beginning to bite even though these signs are necessarily tentative at this point of time. No matter what criterion one examines, whether it be investment, growth in manufacturing, employment, income differentials, the unemployment gap or labour force participation rates, there are unmistakable indications that the Atlantic region is in a healthier position at the beginning of the seventies than at any time in the post-war period. One would expect the hon. member to welcome this and try to give us an indication of how the programs can be improved. I hope that reasonably soon he will take the opportunity of doing just that.

Motion agreed to and the House adjourned at 10.28 p.m.

APPENDIX

FINAL COMMUNIQUÉ NORTH ATLANTIC COUNCIL MINISTERIAL MEETING

For immediate release
10th December, 1971.

1. The North Atlantic Council met in Ministerial Session in Brussels on 9th and 10th December, 1971. Foreign and Defence Ministers were present.

2. Ministers stressed that their governments would continue to pursue their long-standing objectives of achieving, through a genuine relaxation of tensions, a just and lasting peace and stability in Europe. They recalled that since the creation of the Alliance over twenty years ago the treaty area has been free of armed conflict and that under existing international conditions the North Atlantic Treaty remains indispensable for the security of member States.

3. Ministers examined the international situation and expressed their deep concern over the tragic events in Southern Asia. It is their fervent hope that hostilities between India and Pakistan will give way to an early and peaceful solution of all aspects of the conflict.

4. Turning to developments in and around Europe, including the Mediterranean, Ministers reviewed the status of the various initiatives undertaken or supported by the Allies and assessed the results of the numerous bilateral contacts between the Allies and other European states.

5. Ministers noted the effects which continuing difficulties in trade and monetary policy could have, among other things, on the state of the Alliance. They were encouraged by the various efforts underway in other fora to remedy these difficulties in the economic sphere. The Ministers decided to keep this matter under continuing review.

6. Ministers took note with satisfaction of the signature, on 3rd September, 1971, of the Quadripartite Agreement on Berlin. They also noted that the German arrangements to implement and supplement the Quadripartite Agreement now appear to be nearing completion, and that, once these arrangements have been concluded, the Governments of France, the United Kingdom and the United States would be prepared to sign forthwith the final Quadripartite Protocol which would bring the complete Berlin Agreement into effect. Ministers expressed the hope that this would soon be achieved.

7. Ministers viewed this emerging Agreement as an important and encouraging development. Once completed and in effect, the Agreement should bring about practical improvements, while maintaining the Quadripartite status of Berlin and the rights and responsibilities of France, the United Kingdom, the United States and the Soviet Union with regard to Berlin and Germany as a whole. Specifically, Ministers noted that movement of civilian persons and goods between the Federal Republic of Germany and the Western Sectors of Berlin will then be unimpeded, and that the residents of the Western Sectors will be able to visit East Berlin and the GDR. Ministers also welcomed the assurance in the Quadripartite Agreement that the ties between the Federal Republic of Germany and the Western Sectors of Berlin will be maintained and developed.

8. Ministers considered that achievement of the Berlin Agreement would also demonstrate that, with a constructive attitude on all sides, it should be possible to reach reasonable solutions between the Federal Republic of Germany and the German Democratic Republic which take into account the special situation in Germany. Ministers took the view that this example would encourage progress on other problems in Europe.

9. Ministers recalled that at their meeting in Lisbon they declared their readiness to undertake multilateral conversations intended to lead to a Conference on Security and Co-operation in Europe as soon as the negotiations on Berlin had reached a successful conclusion. In the light of the encouraging developments referred to above they affirmed their readiness to initiate such conversations on this basis as soon as possible.

10. In this perspective, they propose to intensify their preparations and their bilateral contacts with other interested parties.

11. Ministers also took note of the invitation of the Finnish Government to the effect that heads of mission of the countries concerned accredited in Helsinki should undertake multilateral conversations. They stated that their Governments appreciated this initiative and that they will keep in touch with the Finnish Government in order to consult on this matter.

12. Ministers considered that a Conference on Security and Co-operation in Europe should not serve to perpetuate the post-war division of Europe but rather should contribute to reconciliation and co-operation between the participating states by initiating a process of reducing the barriers that still exist. Therefore, Ministers reaffirmed that the Conference should address in a concrete manner the underlying causes of tension in Europe and the basic principles which should govern relations among states irrespective of political and social systems.

13. Ministers took note of the report of the Council in Permanent Session concerning a Conference on Security and Co-operation in Europe. This report examined four areas of discussion at such a conference: (A) Questions of Security, including Principles Governing Relations between States and certain military aspects of security; (B) Freer Movement of People, Information and Ideas, and Cultural Relations; (C) Co-operation in the Fields of Economics, Applied Science and Technology, and Pure Science; and (D) Co-operation to Improve the Human Environment. Ministers requested the Council in Permanent Session to continue these studies with a view to facilitating a constructive discussion of these subjects at the negotiations.

14. Ministers representing countries which participate in the NATO integrated defence programme reaffirmed their longstanding belief that a mutual and balanced reduction of forces in Central Europe which preserves the legitimate security interests of all concerned would maintain security and enhance stability in Europe, make an important contribution to the easing of tension and improve East-West relations generally.

15. These Ministers reviewed the developments with respect to mutual and balanced force reductions since their last meeting in Lisbon. They reaffirmed the decisions taken at the meeting of Deputy Foreign Ministers and High Officials on 5th and 6th October, 1971, to propose exploratory talks with the Soviet Government and other interested governments and to charge Mr. Brosio with this mission on the basis of a substantive mandate. They expressed their thanks to Mr. Brosio for accepting.

16. These Ministers noted with regret that the Soviet Government has so far failed to respond to the Allied initiative in this important area of East-West relations in which that Government had earlier expressed an interest. Noting statements by Soviet leaders to the effect that they hoped East-West talks on force reductions in Europe would begin as soon as possible, these Ministers hope that Mr. Brosio will soon be able to go to Moscow. The interested Allied Governments continue to believe that prior explorations of this question are essential in preparation for eventual multilateral negotiations.

17. These Ministers emphasized the importance they attach to measures which would reduce the dangers of military confrontation and thus enhance security in Europe. They noted that a Conference on Security and Co-operation in Europe should deal with these aspects in a suitable manner.

18. Ministers noted a report on further studies conducted within NATO on mutual and balanced force reductions since the Lisbon Meeting. They instructed the Permanent Representatives to continue this work.

19. Ministers welcomed the fact that the negotiations between the US and USSR on strategic arms limitations have resulted in concrete agreements to reduce the risk of accidental nuclear war and to improve communication arrangements between the two governments. Satisfaction was expressed for the close Alliance consultation which has been conducted throughout the course of the Strategic Arms Limitations talks. Ministers expressed the hope that these negotiations will soon lead to agreements which would curb the competition in strategic arms and strengthen international peace and security.

20. Ministers reaffirmed their determination to promote progress in disarmament and arms control and reviewed recent developments in these fields. They expressed satisfaction at the measures envisaged to prohibit the development, production and stockpiling of bacteriological (biological) and toxin weapons and their destruction. They hoped that all States will adopt similar measures. Ministers also expressed the hope that headway could be made towards reaching an agreement on the controlled prohibition of chemical weapons. Ministers representing countries which participate in the NATO integrated defence programme noted with interest the efforts being undertaken to find effective means for the verification of an eventual agreement on a comprehensive test ban.

21. Ministers took note of a report on the situation in the Mediterranean prepared on their instructions by the Council in Permanent Session. They reaffirmed their concern about the course of events in this area, while expressing their hope that a peaceful solution would be found in the Eastern Mediterranean. In the light of the conclusions of the report before them, they instructed the Council in Permanent Session to continue consultations on this subject and to follow the evolution of the various aspects of the situation in order to report thereon at their next meeting.

22. Ministers were pleased by the new achievements of the Committee on the Challenges of Modern Society (CCMS) in its studies, especially in the fields of air and water pollution, and by the initiation of a project on the application of modern technology to health care.

23. The Spring Ministerial Meeting of the Council will be held in Bonn on 30th and 31st May, 1972.

24. Ministers requested the Foreign Minister of Belgium to transmit the text of the preceding paragraphs on their behalf through diplomatic channels to all other interested parties, including neutral and non-aligned governments.

25. Ministers of the countries participating in NATO's integrated defence programme met as the Defence Planning Committee.

26. In the light of the considerations outlined in the preceding paragraphs, they emphasised that NATO's efforts to achieve sufficient defence capabilities and the striving for détente are not incompatible but complementary, and that sufficient and credible defence is a necessary corollary to realistic negotiations on security and co-operation in Europe. In the same context and as a fundamental principle, these Ministers reaffirmed the well-known position of the Alliance that its overall military capability should not be reduced except as part of a pattern of mutual force reductions balanced in scope and timing.

27. These Ministers discussed mutual and balanced force reductions (MBFR) and reaffirmed their intent to continue their close involvement in the development of common allied positions.

28. They noted the growth of Soviet military efforts in recent years and the indications that the Soviet Union continues to strengthen both its strategic nuclear and its conventional forces, especially naval forces. They therefore agreed on the need for continued and systematic improvement of NATO's conventional forces and for the maintenance of adequate and modern tactical and strategic nuclear forces in order to ensure that the deterrent remains effective at all levels, and in order to avoid weakening the basis of NATO's search for détente.

29. They discussed a follow-up report to the Alliance Defence Study for the Seventies (the AD 70 Study). They welcomed the progress being made by members in improving Alliance defences. In particular they noted with satisfaction the further specific and important efforts announced on 7th December by those European member countries which participated in the European Defence Improvement Programme, and recognised the emphasis which these European member countries are placing on modernising the equipment of their forces, land, sea and air, along AD 70 lines. They also welcomed the substantial improvements to their conventional forces planned by the United States, and they noted with satisfaction the enhanced United States contribution to NATO's strategic deterrent which will result from the deployment of the POSEIDON weapon system. They heard with appreciation the reaffirmation by the United States Secretary of Defense that, given a similar approach by the other Allies, the United States would maintain and improve their own forces in Europe and would not reduce them except in the context of reciprocal East-West action.

30. They endorsed the priority areas which were proposed to them for the further implementation of the AD 70 recommendations. Within these areas they identified for early action certain fields such as additional anti-tank weapons and modern tanks; advanced electronic equipment for certain combat aircraft; improved all-weather strike, attack and reconnaissance air forces; improved air defences and aircraft protection; better maritime surveillance and anti-submarine forces; more maritime patrol aircraft and seaborne missile systems; the replacement of over-age ships; the strengthening and modernisation of local and reinforcement forces on the Northern and South-Eastern Flanks; and larger ammunition stocks for land and air forces.

31. They recognised the global nature of the Soviet maritime capability, and in particular the deployments and activities of the Soviet fleets in the Atlantic and in the Mediterranean. In their discussion they reaffirmed the need for appropriate Allied measures, and reviewed progress.

32. They noted the force commitments undertaken by member nations for the year 1972 and they adopted a five-year NATO Force Plan for the period 1972-1976, including many AD 70 implementation measures.

33. They concluded that the aim within NATO should be to allocate to defence purposes, where this is within the economic capability of countries, a stable and possibly larger proportion of their growing national wealth, in order to maintain an adequate deterrent and defensive capability.

34. The Defence Ministers comprising the Nuclear Defence Affairs Committee (Belgium, Canada, Denmark, Germany, Greece, Italy, the Netherlands, Norway, Portugal, Turkey, the United Kingdom and the United States) also convened to examine reports on the activity of the Nuclear Planning Group during the past year and on its projected work.

35. The next Ministerial meeting of the Defence Planning Committee will be held in the Spring of 1972.

HOUSE OF COMMONS

Tuesday, December 14, 1971

The House met at 2 p.m.

PRIVILEGE

MR. ROBERTS—INACCURATE REPORTS OF SPEECH—CORRECTION TO "HANSARD"

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, yesterday the Leader of the Opposition referred to reports of my speech last week at Thunder Bay. These reports are inaccurate, but I will correct them in the normal way later on in the course of debate.

I am rather concerned, however, about *Hansard* for yesterday, page 10430, where the comment is ascribed to me, with reference to the hon. member for St. John's East, that he was "a little like the kink in 'Alice'".

Some hon. Members: Oh, oh!

Mr. Roberts: What I said was, "a little like the king in 'Alice'". I do not believe that the hon. member—

Mr. Speaker: Order, please.

Mr. Baldwin: You are the Mad Hatter.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

TIME ALLOCATION MOTION FOR THIRD READING STAGE OF INCOME TAX BILL

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, in accordance with the notice given yesterday I move, seconded by the Minister of Finance (Mr. Benson):

That the time provided for the consideration of government business in the sittings of Wednesday, Thursday and Friday, the 15th, 16th and 17th of December, 1971, be allotted for the further consideration and disposal of the third reading and passage stage of Bill C-259, an Act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that Act, and of amendments proposed thereto; and

That at 3:45 p.m. in the sitting of Friday, December 17, 1971, any proceeding then before the House shall be interrupted, if required, for the purpose of this order, and, in turn, every question then necessary in order to dispose of the third reading and passage stage of the said bill and of any amendment thereto, shall be put forthwith and successively without further debate or amendment.

He said: Mr. Speaker, yesterday the House of Commons completed its 46th day spent in consideration of Bill C-259. If the motion I am proposing today is carried and put into effect, on Friday next the House will have devoted the equivalent of 50 parliamentary days to this bill in all its stages— second reading, Committee of the Whole and third reading. By making available that considerable amount of time it has been possible for members of the House to examine all issues involved in the bill.

Mr. Lambert (Edmonton West): Nonsense!

Mr. MacEachen: The general comment is made that insufficient study has been given to the bill. Yet no precise proposals have been made as to what additional time would be justified and what unexplored aspects of the bill require further discussion.

The request to the House to pass the first time allocation motion was made by the government after the bill had been before the House for 39 days and when it was prepared to take responsibility for the implications of such a course of action. In the circumstances, we had reached a number of conclusions. We were of the opinion that spokesmen for opposition parties and members of the House generally had had sufficient opportunity to express their views on all areas of the bill, that public opinion would feel that the House of Commons was not being asked precipitately to make up its mind on the bill, that there were no areas of discussion remaining to which public attention had not been drawn, or which demanded further consideration, and that the House itself would not feel any genuine outrage that it was being treated in an unfair way.

Some hon. Members: Oh, oh!

• (2:10 p.m.)

Mr. MacEachen: At no point did I feel it was the responsibility of opposition parties to take the initiative in bringing about time allocation. Such an outcome is not even contemplated under our Standing Orders.

However, the situation today is much clearer than it was on December 2, the day when the first motion was moved. First of all, members of opposition parties are not solid in their opposition to the government's action. For example, the experienced member for Greenwood (Mr. Brewin) has stated that the opposition has been given a fair show and it is necessary for the government to govern.

Some hon. Members: Hear, hear!

Mr. MacEachen: He went on to say: "I would do the same thing if I were in the government's shoes". The hon. member for Waterloo (Mr. Saltsman) has said that the government has a right to govern and then to be judged by the people. The Leader of the Opposition in the other place a week ago today made a suggestion to the government leader in the other place as follows:

I suggest to the hon. leader that he should persuade the government to impose closure in such a manner as to permit the Senate to deal with the bill at the beginning of next week.

That was on Monday of this week. We also know from subsequent experience that no new issues were raised in Committee of the Whole and that the committee, quite properly, spent its time discussing issues that had already been exhaustively examined. We know too that today editorial opinion in the country is divided. If one were to reach a judgment it would be that probably editorial opinion is slightly in favour of the action taken by the government.

Some hon. Members: Oh, oh!

Mr. MacEachen: Finally, it is also clear that the public has not been roused to any state of indignation. In fact, it is my feeling that the public in general supports the action of the government in bringing this debate to a conclusion. As the amount and complexity of legislation increases, we are also conscious that time is not unlimited, that every day spent on the tax bill is a day that cannot be used to clear other legislation on the order paper now awaiting our attention.

In the sessions between 1960 and 1968 Parliament sat an average of 142 days. During the first two sessions of this Parliament we sat an average of 176 days, and this, Mr. Speaker, is the 231st day of this session. Whereas in the previous period Parliament enacted an average of 46 public bills per session, during the first two sessions of this Parliament we enacted 65 bills per session.

It is apparent that the pace of public business requires a different attitude in the House of Commons and that this requires the House to change its procedures in order to cope with the accelerating pace of public business.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: What is crystal clear from these facts is that if Parliament is to meet the requirements of today—

Mr. Stanfield: The government must produce sensible legislation.

Mr. MacEachen: —it must become more willing rather than less willing to accept reasonable organization of its business through time allocation procedures. Political parties in the House must adapt as well to the accelerating pace of public business.

Some hon. Members: Oh, oh!

Mr. MacEachen: In his speech last week the Leader of the Opposition (Mr. Stanfield) candidly revealed to the House that his party lost almost two months in commencing its study of Bill C-259. That is regrettable, Mr. Speaker, but the House of Commons cannot be expected to delay reaching decisions in order to accommodate an inalert opposition.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. MacEachen: The public expects the government to try to get its legislation through the House. The public not only expects the government to try, the public expects the government to succeed. In this connection may I put on the record an apt quotation—

Mr. Nowlan: Is this the minister's valedictory speech?

Mr. Speaker: Order, please. The minister's time has expired.

Some hon. Members: Hear, hear!

Mr. Nowlan: It sure has. He has expired.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, we have heard, in the remarks of the President of the Privy Council (Mr. MacEachen) the greatest misapplication, misinterpretation and, frankly, misrepresentation to the House of statistics.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): We have heard false statistics and even falser conclusions. I will not dignify his remarks with further comment because they were not worthy of the hon. gentleman.

Mr. Baldwin: Did you get that, buster?

Mr. Lambert (Edmonton West): We have seen today a further demonstration of that spirit of the sun god that in history made a man say, "l'état, c'est moi". This whole philosophy pervades the attitude of hon. members opposite. Of course, few if any of them sat here when Standing Order 33 was used previously. If this government had had the guts and the moral courage it would have said it was going to use closure and have used it; instead, the government uses the term, "allocation of time".

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): All we hear from the backbenchers on the other side is just frustration stemming from their inability to participate in this debate—

An hon. Member: You are not speaking for us.

Mr. Lambert (Edmonton West): —their inability to speak coherently and intelligently about the provisions of the bill.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): Not one of them has demonstrated that he can do so, at least not from what we have heard so far.

Mr. Stanfield: And the minister stayed out of the House.

Some hon. Members: Oh, oh!

• (2:20 p.m.)

Mr. Lambert (Edmonton West): If the government had used Standing Order 33 it would have been bad enough, as it was on the previous occasion. But a week or ten days ago when Section 75C was used in the House some 200 clauses of the bill had not been considered. Here the President of the Privy Council was totally wrong. He

knows very well that the government had no plan whatsoever for the debate in Committee of the Whole and that it was an opposition proposal which dealt with major subject areas.

Nothing has been done yet about the transitional clauses starting from clause 3 onward. Not one word was said about those clauses. Not one word was uttered by the government as to when they would be discussed. The proposals as to time came always from the opposition. The areas of discussion were known. Allocation of time, if I may say so, was to be traded off against the interests of particular taxpayers. This is shameful. Yet we get the assertion that every area of the bill was considered. Not one clause beyond clause 3 which had to deal with the repeal of estate tax was considered—nothing beyond that. I defy the President of the Privy Council to say one of them was considered. Not one of the transitional rules was dealt with.

Many of the transitional rules are different from the previous act. The penalties are different. Some of the penalties provided for any offence prior to the coming into force of this new act are even more barbarous than the previous ones. Honourable members sit back in amazement. They do not even know what is in those clauses.

Mr. Dinsdale: Nor care.

Mr. Lambert (Edmonton West): And they do not care, as my colleague says. It is unfortunate. These people represent government, big government dispensing largesse to the taxpayers of this country. Who are the taxpayers of this country? They are to be the victims of this monumental abortion. If the hon. member for Vancouver-Kingsway (Mrs. MacInnis) wants to talk about abortion, here is one right here.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): This is what these people think. The taxpayers of this country are to have foisted on them the provisions of this particular document. Who are the taxpayers? They are the people who put the government in office. Yet they would trample upon their necks and say to them that they are lucky peasants to be under this regime that is dispensing so much largesse. Their figures are totally wrong. They misrepresent the facts as to the reduction of taxes. They do not say they are going to tax unemployment insurance benefits and training allowances to raise more revenues. They do not say that they are going to raise the revenue of the people to bring them into higher tax brackets. What they give with the one hand they take away with the other. All these figures quoted about the number of taxpayers waiting breathlessly for the benefits of the new act are hollow mockery. The government is being totally dishonest with regard to the Canadian public.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): In this instance the government imposed closure after one day's debate on third reading. We got notice that the government had made up its mind to do this for administrative reasons and administrative reasons only and because of their own misreading of amendments put forward by the opposition with regard to splitting the bill that had been supported by the majority of major newspapers in this country. I do not know what newspapers the President of the Privy Council has been reading but they certainly do not represent the majority in this country. The government is trying to dragoon the Senate, and it will be very interesting to see how that body behaves after the visit yesterday from the Minister of Finance.

Some hon. Members: Shame!

Mr. Lambert (Edmonton West): What kind of bribery, what kind of threats were used on the Senate in suggesting that they should deal with this bill in a matter of a few hours? Is debate on the bill to be finished by the end of this week? We say that never has there been such a shameful performance as that of this government in imposing closure on a most important document which will affect the whole of the Canadian economy. Government members sit back and smile as though they are not to be affected by it. Of course they are.

[*Editor's Note: Whereupon there was a whistling noise in the sound reinforcement system.*]

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): The Martians are landing. Even the elements are disturbed, Mr. Speaker. Of course it might be that spirits from the outer world have come down to shout their protests.

Mr. Lewis: Perhaps that of Mackenzie King.

Mr. Lambert (Edmonton West): As has been suggested, perhaps the spirit of Mackenzie King, although I suppose members over there would deny the existence of the reign of that right hon. gentleman.

This has been a shameful performance. I hope that the Canadian public who are to be the victims of this act will recognize who imposed it upon them, who forbade and prevented the provinces from negotiating the necessary agreements. The Minister of Finance knows that the provinces have not replied to him with regard to death duties. Many amendments to the act have not yet been received, and the whole thing is in total disarray.

The motion presented by the President of the Privy Council is wholly motivated by the disarray and ineptitude of this government in bringing forward a bill of this kind under these conditions.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on December 2 I gave three reasons for our opposing the motion made on that occasion to close the debate on Bill C-259 at the Committee of the Whole stage. Those three reasons still apply today, but I have three more. First, to move closure under Rule 75C at this stage is a violation of the purpose of third reading. Second, I agree with an editorial in the Winnipeg *Tribune*—I have seen similar comment in other newspapers as well—that what the government is doing is showing its contempt for Parliament and contempt for the parliamentary process.

• (2:30 p.m.)

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Third, closing off debate in this way by unilateral action on the part of the government is an admission of absolute failure to find a sensible way to plan and allocate the time of the parliamentary year. Every time this is done we put off the day when such a sensible plan will be achieved.

I said, Mr. Speaker, that my first reason today for opposing this measure is that introducing closure at this stage is a violation of the purpose of third reading. I hold in my hand the *Journals* for the session of 1968-69 and I am looking at page 433 which contains a portion of the third report of the Special Committee on Procedure of the House which had been tabled that day. That report annotated the procedural changes that were made in that session and gave the views of the Special Committee on Procedure. The paragraph to which I wish to draw attention represents the thinking and the wording of the present Minister of National Defence (Mr. Macdonald) who was then the government House leader. This was agreed to unanimously by the committee but I emphasize—the minister was in the House a few minutes ago and I wish he were here now—that the thinking and the wording were given to us by the government itself. I quote from the report:

> The motion for third reading would read:
>
> "That this bill be now read a third time and passed."
>
> This wording will indicate clearly and unambiguously that the final and most crucial decision relating to the passage of a bill would be taken at the third reading.

Later in that same paragraph I read:

> We wish to emphasize that the third reading should always be the decisive stage and that in the case of a highly controversial bill it could be a most crucial debating stage.

All of the talk about what happened on second reading and in Committee of the Whole is not now relevant. If these words mean anything they mean that we are now at the most crucial stage of the debate on Bill C-259. Yet, the House having had only one day of debate at the third reading stage, the government gave notice of closure under 75C. That is a complete violation of the purpose of third reading which we agreed to in 1968. If there is any willingness on the other side to have some integrity about these things, I submit that the President of the Privy Council (Mr. MacEachen) ought now to stand in his place and ask for withdrawal of his motion.

The second point I seek to make today, Mr. Speaker, is found in the words I have read in a number of newspaper editorials, that pushing this bill through in this way is contempt of Parliament and of the parliamentary process. As the hon. member for Edmonton West (Mr. Lambert) pointed out, in Committee of the Whole we had literally no discussion on most of the clauses of the bill. We spent a lot of time discussing clause 1 with its hundreds of pages. We spent an hour or two on clause 2. But the other 74 clauses of Bill C-259 were not discussed for one second in the House of Commons. To ask parliament now to put this measure through its final, crucial, decisive stage under closure, I submit is precisely what some of the editorial writers are saying; it is contempt of Parliament.

Mr. Lewis: Contempt of the people.

Mr. Knowles (Winnipeg North Centre): And, as my leader suggests, contempt of the people. That is what the Canadian people are feeling. I am getting this reaction in newspaper editorials and in letters. Questions are put to me, "Isn't there something you can do? Can't you stop this? Does the government, simply because it has a majority, have the right to lord it over Parliament in this way?" I have to answer that it used closure in 1969 to put through rule 75C and now it is using the closure that is part of 75C to put through this bill despite the fact that most of it has not been discussed, as I have already pointed out.

Not having had the opportunity to deal with the bill as it should have been dealt with in Committee of the Whole stage, there would normally be an opportunity on third reading to move a number of amendments for reference back to the committee to discuss some of these points. We in our party have about ten such amendments that we would like to move. I am getting one of them in today. We hope we will get in a second, but I am not sure we will. The other parties have amendments they would like to move, but with closure falling on Friday there is not a chance in the world of getting the various phases of the bill reconsidered at third reading. In fact, the word "reconsidered" is hardly correct because most of them have not been considered at all.

I submit that we have here a case of utter disregard of the rights of parliament and utter disregard of the rights of the Canadian people for the government to impose this rule at this time. As I say, had there been a couple of weeks debate on third reading there might have been some justification for it. But there had only been one day's debate. Let no member on the other side start to tell me about the 30 or 40 days we had prior to that, because in their own words this is the crucial stage. I am glad to see the Minister of National Defence coming back into the House, perhaps to take a bow, because the words were his. This is a crucial stage, and the opportunity to have the kind of debate that is alluded to at page 433 of the *Journals* for 1968-69 has been denied.

The third thing I want to say is that in my view this Parliament, with the work load it has, and with the way that work load will increase, does have to find some way to plan and allocate its time.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): But it has to be done in a way that involves agreement, and it has to be done in a way that apportions the time within any period of allocated time so that all of the time will not be spent on one clause and none of it on the rest. But every time the government uses the closure device, uses the big stick, it is admitting it has not been able to solve that problem. It is not the solution of any problem for the bully, for the one with the big stick, just to say, "This is the end of it." Every time this happens, every time the guillotine falls, we not only suffer in Parliament at that very moment, but we are putting off the chance of a sensible solution to this problem of the allocation of time.

So, Sir, for these three reasons that I have produced today, in addition to the three that I put forward on December 2, I urge that this motion be defeated. It violates the purpose of third reading. It is a case of open contempt of Parliament. And it is an admission on the part of the government that it has completely failed to

plan the business of the House in any sensible or organized way.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the President of the Privy Council (Mr. MacEachen) who today invoked Standing Order 75C to close the debate on the motion for third reading of Bill C-259 is also impinging upon parliamentary freedom. In my opinion, it is a way of tampering with people's freedom.

In fact, why are we against Bill C-259 and the imposition of Rule 75C? Simply because nobody in Canada agrees on that famous Bill C-259. We realize there is confusion everywhere, even on the government side. The former Minister of Communications and the former Minister of National Defence do not agree with the government on Bill C-259. A few moments ago, some hon. members applauded the government's decision to apply Standing Order 75C, without knowing why.

On the other hand, it we consult economists about Bill C-259, we find that those who belong to the Liberal party do not agree at all with those who belong to the Progressive Conservative party and that the latter do not share the opinions of their colleagues in the New Democratic Party. So, there is confusion among economists, and some even claim that Bill C-259 will make things worse instead of improving them.

Even chartered accountants do not agree too much among themselves. One of them, the hon. member for Laurier (Mr. Leblanc) expressed in the House yesterday opinions that were completely contrary to those held by the others. As a matter of fact, he attacks everyone without proposing any useful solution.

With regard to the different social classes, the minister referred with pleasure a moment ago to the hon. member for Greenwood (Mr. Brewin), who is a lawyer and who suggests that the government should insist upon a vote on Bill C-259. But the hon. member for Edmonton West (Mr. Lambert) is also a lawyer and his opinions are the very opposite of those of the hon. member for Greenwood. So there is confusion among lawyers as well. The hon. member for Waterloo (Mr. Saltsman) supported the decision of the government to apply Standing Order 75C and the minister stated that even editorials are divided. Parliamentary reporters do not agree. Some are in favour of the bill, others are discrediting it, but all are uncertain.

This is why, Mr. Speaker, we cannot support Bill C-259 which is a kind of bible 730 pages long which nobody understands. Indeed, even the minister does not understand it. However, they want us to pass it so that they may tackle the Canadian taxpayers who are working to build the country.

When I refer to economists, for example, I do not hesitate to state quite frankly that the economists who advise us are our people who work in Canada and contribute to its development but do not try to crush it or rob it blind.

We talk about farmers, miners from Noranda, Canadair workers, Montreal and Trois-Rivières wage earners, in short about all the working classes in our society, including small storekeepers who will pay the piper and go broke as a result of the enactment of Bill C-259. Those are the economists we have. We speak sensibly on their behalf and we request that the government be more understanding.

• (2:40 p.m.)

Because the President of the Privy Council has invoked Standing order 75C, we say he interferes with the rights of parliamentarians. If the vote were free, if we were not asked to vote like sheep, if the members, government and others alike, were entirely free to vote according to the interests of the citizens they represent, then closure would not have to be invoked, nor would we be asked to study confusing bills.

It is all very well to say: We are levying a new tax because the people are rich, as the right hon. Prime Minister (Mr. Trudeau) was pleased to say over CKAC in Montreal. It is all very well to say to the people: You earn enough, that is why you are being taxed, when everyone, including the Prime Minister, knows that they have not enough money already. But in order to sound funny on radio, one can always tell them: You are rich, that is why we are passing bills to tax you more. That is exactly what the government means by introducing Bill C-259.

In any event, the government takes the responsibility for applying Standing Order 75C. It has the majority. The Prime Minister was saying on the same station that thanks to the majority that it holds, the government is solid. They have solidity, indeed, but only to impose additional taxes. They are solid enough to impose new taxes on the middle class of our society through a bill which will be favourable to the rich without assisting the poor all that much and which to a certain extent, will siphon off a considerable part of the income of the middle classes so that we will end up some day in Canada with a situation where people will be either rich or poor.

That is exactly the purpose behind Bill C-259. The government is taking the responsibility for foisting this bill upon the people of Canada, and that despite the suggestions put forward by the opposition. Although the government says that we will have debated this bill for 50 days, we don't even have the right to make it understand the least little change that should be made and applied for sound economic, social and political policies in Canada. That should be done not by funny speeches delivered over radio or television but through legislation respectful of the human being, of personal initiative and of private enterprise across the country.

[*English*]

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I am quite certain that questions will be asked on the other side of the House about whether my colleague has requested that I speak today because he is getting to the bottom of the barrel over here.

Mr. Stanfield: Oh, no!

Mr. Laing: My defence to that—

Mr. Stanfield: There is no need for any defence.

Mr. Laing: —and my confidence stem from the fact that the barrel has been emptied several times on the other side.

Mr. Stanfield: You can do better than that.

Mr. Laing: I came to this House for the first time in 1949, Mr. Speaker. In those days there was no thought of closure; it was not mentioned. There was a session once a year; the habit was to gather in January and we always hoped to get out of here before the heat of July. There was a tacit agreement among all parties in those days that matters would be debated but that decisions would be taken.

I remember that the late Angus MacInnis, who I think might be called one of the better parliamentarians of this generation, remarked in one impassioned speech that people say of us that all we do is come here and talk. Mr. MacInnis said, "My God, that is what they sent us to do—they sent us to come here and talk." That is one aspect of this Parliament. But surely the talking must be to a purpose and surely decisions must be taken so that the executive of this Parliament, which is the government of Canada, can process those things it wants to put into effect and which it thinks at that time are in the public interest and which in succeeding years it will submit to the public to determine whether they want to renew its mandate or whether they want someone else to run their business.

An hon. Member: See what you have been missing, Pierre.

Mr. Laing: In the years following 1962 when the right hon. gentleman from Saskatchewan sought a majority government here and failed and Mr. Pearson in two successive tries failed, there was a growing feeling in Canada that Parliament was not adequately serving the requirements of the Canadian people. I heard this widely discussed. People were yearning for a government with a majority.

Mr. Baldwin: Now they wish they had not.

Mr. Laing: They wanted things discussed and after that they wanted things done.

An hon. Member: But you have not done anything yet.

Mr. Laing: When the history of this century is written, the darkest pages—

Mr. Alkenbrack: Christmas 1971!

Mr. Laing: —will record the accession to power of dictators and military leaders. They came to power because they convinced their people that democracy had decayed and died; otherwise they would not have succeeded.

I think the people of Canada today want an adequate discussion of this bill and other bills and then they want decisions to be taken. I know this is not a good day for a novitiate like I am to speak in this House because there is a lot of air turbulence. You cannot stay strapped and speak in this House. Among other things, the Leader of the Opposition (Mr. Stanfield) said that the government is trying to foist this bill on the people just to try to save its face. If he is confident that he is right in that statement, he should support the passage of the bill at once because if he thinks the government is making a mistake he can go to the public on this measure.

• (2:50 p.m.)

Mr. Stanfield: I have some concern for the people of Canada. That is why.

[Mr. Stanfield.]

Mr. Laing: The government stands behind this bill and its passage and will meet the Leader of the Opposition on the hustings when that time comes.

Some hon. Members: Hear, hear!

Mr. Laing: The Leader of the Opposition has used some very strong language and a great number of adjectives. One is supreme: The bill is incomprehensible.

Mr. Stanfield: Nobody questions that.

Mr. Laing: The Leader of the Opposition did not find the bill totally incomprehensible. He found those parts of the bill that give additional payments to the people of the country were very fine indeed. They were readable.

Some hon. Members: Hear, hear!

Mr. Thompson: What is wrong with that? That is being positive.

Mr. Laing: That is being selective.

Mr. Stanfield: Nobody has any difficulty understanding that part of the bill.

Mr. Baldwin: It stimulates the economy.

Mr. Laing: I suggest that the intelligence of the Leader of the Opposition is exceeded by his sensitiveness to public opinion. No government has any money of its own.

Mr. Caouette: Why not?

Mr. Laing: We tax and we distribute the money according to objectives and policies in the public good. That is the responsibility of government. I think it was Micawber who said that happiness can only come when income is equal to outgo. Apparently the Leader of the Opposition has not yet learned that responsibility or that happiness.

Some hon. Members: Hear, hear!

Mr. Laing: I would gather that the present occupant of the high office the Leader of the Opposition once had in Nova Scotia would be of the opinion today that while in Nova Scotia he had failed to read Charles Dickens.

Some hon. Members: Hear, hear!

Some hon. Members: Oh,oh!

Mr. Laing: I think an adequate amount of time must be given to this question. It has been under study in this country for ten years at very considerable expense to the taxpayers of Canada. Committees have gone from one side of the country to the other and invited the people to make their submissions. Submissions have been made here. My desk is piled three feet high with submissions made in regard to this matter.

Mr. Woolliams: You have not read any of them.

Mr. Laing: I do not want to argue with the hon. member for Calgary North (Mr. Woolliams). I know he has a wide reputation as being the second best debater on that side of the House. All the others are first.

Some hon. Members: Oh, oh!

Mr. Laing: I think a great deal of time has been offered to the opposition to debate this bill. Yesterday I heard the hon. member for Peace River (Mr. Baldwin) speaking on the bill. He did not say one single word about the bill. He should have been speaking on the motion today because all he was doing yesterday was condemning us for what he termed closure. He had no intention at all of paying attention to any part of the bill.

Mr. Baldwin: No, no.

Mr. Laing: That has happened in a great number of cases. I do not want to be unfair to members opposite. There was a good debate on agricultural matters and a good debate on the matter of co-operatives. Apart from those, no attention has been paid to any part of this bill in the 44 or 47 days so far.

It is my opinion that the people of Canada will support this government very strongly indeed for the action it has taken to come to a decision now in respect of this matter. If there are industries in Canada which suffer as the result of putting this bill through, they will be heard. Amendments will be made.

Mr. Alkenbrack: Why not do it now?

Mr. Laing: Is the hon. member ready at this time to tell me how the bill should be amended? I do not think he suggested any amendments to the bill.

Mr. Alkenbrack: I rise on a point of order, Mr. Speaker. My interjection was made because the minister is admitting that amendments are necessary. Why not make them before we pass the bill?

Mr. Laing: I am about through, Mr. Speaker. If the economy of the country demands amendments in respect of taxes, any sensible, honest, good government will make those amendments from time to time. I think the people of Canada will support this government for taking action on this bill.

Some hon. Members: Hear, hear!

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, the Minister of Public Works (Mr. Laing), the member for Vancouver South, treated us to a mild but quite irrelevant history of his career in Ottawa. He said that the bill is comprehensible to him. If this is so, he joins a select company, about as select a company as he will be with when he soon joins the other place.

Mr. Stanfield: There are far more in the Senate who understand this bill.

Mr. Fairweather: I was disappointed with the President of the Privy Council (Mr. MacEachen). He is usually a convincing debater. Today we were treated to a rather shallow apologia because the government in all its years has made no serious effort to reform the rules of Parliament and bring in any workable system of allocation of time. The House leader said that the government now weighs editorials before it proceeds with motions to allocate time. It is a pity the government did not weigh this bill. It is also a curious way to find out how the people feel about this legislation.

The President of the Privy Council also spoke of an inalert opposition, forgetting of course that it was the Leader of the Opposition (Mr. Stanfield) who made the concerted and oft-time lonely attack on the white paper which resulted in many worth-while changes.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Fairweather: Do not put your trust in princes is an admonition which should be in the forefront of our minds as we wrestle with the bill which is the subject of the minister's motion. We are being treated to a curious phenomenom in parliamentary life with the Senate being softened up by the Minister of Finance (Mr. Benson). The minister said: Pass the bill and I will give you some goodies at the next session, all the while stifling any attempt to secure amendments in this place.

• (3:00 p.m.)

It seems curious that though we are to debate third reading under the restriction of an allocation of time motion the Senate is given an undertaking that the bill will be amended at the next session. Surely this is one of the cruder attempts at a *quid pro quo*. It emphasizes the point that the full implications of the bill are not yet understood, not only by this Parliament, with the exception of the Minister of Public Works (Mr. Laing), but by the government itself. As the Parliamentary Secretary to the Minister of Regional Economic Expansion (Mr. Roberts) said last weekend, this bill is not tax reform. And as my own leader has suggested, it is a bill conceived in the 'sixties, whereas the dilemma confronting the government is that it finds itself facing the problems of the 'seventies.

I wonder whether supporters of the government ever bother to read the words of their erstwhile great leader, Sir Wilfred Laurier, who said during the navy debate in 1913:

> Sir, these rules are to be swept away, they are to be ridden over roughshod, they are to be put aside, and we are to have the gag substituted for them. And what is the pretence? The pretence is that there has been obstruction in the House.

Mr. Speaker: Is the hon. member for York-Simcoe rising on a point of order?

Mr. Roberts: Yes, Mr. Speaker, I am. If the hon. member had been in the House earlier he would have heard me deny that those remarks attributed to me were reported correctly.

Mr. Fairweather: As a matter of fact, I was in the House when the hon. member made his protest. And I was present when he said that this bill is not tax reform.

Some hon. Members: Oh, oh!

Mr. Roberts: On a question of privilege, Mr. Speaker, I have this morning been in touch with the organizers of the conference. They assure me that the remarks attributed to me were not said.

Mr. Fairweather: I know the Prime Minister is uneasy when his parliamentary secretaries go about the country. But I recognize the rule. I respect the Speaker. The hon. member has said he did not say those words and I accept

that statement. The reservations will be for others, not for me. In any case, many parliamentary secretaries have gone on record as saying in this House that the bill does not meet the needs of tax reform. After all, one man's obstruction is another man's analysis; one man's filibuster is another man's argument. I could put it in another way and say that one man's Laurier is another man's Trudeau.

We are faced with a bill dropped on the people of Canada as a sort of hogmanay present on January 1. When the gift is opened and the fancy paper cleared away, together with the puffery which has gone into the press releases, people will find that what is supposed to be tax reform is not tax reform at all. The gift cannot consist of a game of skill, because no comprehensible rules accompany it. It cannot be a household amenity because the provisions for the transfer of property are in every way restrictive. What it is, is a 1968 tax bill upon which full depreciation has been calculated. And it has very little trade-in value.

An important point was made in an editorial which appeared in the Montreal *Gazette* of July 24, 1969, in relation to the very issue we are debating today. It had to do with the allocation of time rule which was so clumsily drafted and which was accepted only after debate had been cut off. The editorial writer certainly possessed good forecasting ability. He wrote:

> The only real review that any proposed legislation is likely to receive will come not from the majority in Parliament but from the minority. This point was well made a few years ago by a committee of the Canadian Bar Association. "Under democratic institutions," said the committee, "the people accept to be governed by majority decisions, but on condition that the laws should be discussed in the open, traversed by the criticisms of the opposition and be the result of a free and enlightened decision by Parliament."

We have not been able to pursue that because of the restrictions placed upon us by the government.

Some hon. Members: Oh, oh!

Mr. Benson: Fifty days.

[*Translation*]

Mr. Yves Forest (Brome-Missisquoi): Mr. Speaker, a little over two years ago, following a report of the Special Committee on Procedure and Organization, our Standing Orders were changed by the House and now provide for a new procedure whereby debates may be limited either through inter-party agreement, or, failing that, through a motion brought before the House by a minister.

While the change of procedure did not receive unanimous support at that time, it was almost unanimously recognized that no modern Parliament claiming to be efficient and functional can hold indefinite and obviously unduly long debate on any subject, however controversial or complicated. It was also recognized that when a certain time has elapsed, during which all views, ideas and suggestions have been aired and rehashed, a final decision must be reached and the voice of the majority of the people's representatives must be heard.

Besides, it has long been recognized in almost all legislatures of the free world, and particularly in Westminster, where the mother of Parliaments sits, that nowadays the time of the House or the legislature can no longer be wasted in repetitive debate with the sole purpose of delaying the making of a decision or of upsetting the government's legislative program.

It is about time that we in Canada show the same political maturity and that the official opposition particularly should stop living in the past. Circumstances have changed and this kind of strategy does not get public approval any more. Anyway, in this case, it is a long shot indeed.

The population of Canada now thinks that there has been enough talking and that time has come to make a decision and to go on to other things, other priorities.

Mr. Speaker, after all the members of the opposition had to expect that those sections of the Standing Orders would be applied some day. They are applied for the first time with respect to a bill and it seems to me that there could not have been a better opportunity, a more obvious situation for invoking Standing Order 75C in order to limit in a very sensible way debate on Bill C-259, which has been before the Commons about 50 days on second reading, in the committee on the whole and now on the motion on third reading which will allow at least five or five and a half days of debate. And all that considering that no agreement could be reached with the opposition parties which disagree and have assumed different attitudes. By the way, some members of those parties voted with the government on December 2.

Mr. Speaker, it has been said that the definite text of the bill was tabled in the House only last June, that this text was long, complicated and hard to understand and that numerous amendments had been made to it in the course of preparation. But the major changes, that is those relating to capital gains, corporate income and income of co-operatives, have been debated and studied for years, following the Carter report, the white paper and comprehensive studies by committees of both Chambers. As a matter of fact, everything has been said and repeated on all aspects of the subject, and this many times.

Obviously, if the bill is to become law on January 1 next, as the government has announced a long time ago, and in order to dispel the uncertainty, an end had to be put to this systematic obstruction, the obvious object of which was simply to prevent the House from making a decision. Besides, the *Montreal Star* of December 3, 1971, said that it was significant that the efforts of several Conservative members were not aimed at improving the situation of low-income people, but at obstructing approval of provisions forcing some corporations and richer Canadians to pay a more equitable part of taxes.

It says also that the country would have been faced with a longer period of waiting and uncertainty and of course that could but have ill effects on the economy.

Mr. Speaker, an editorial of the *Toronto Daily Star* of December 2 followed the same line of thought.

Today people ask us to take less time on discussions and to proceed with the study of important legislation such as bills on agriculture and the family income security system and expect those who have been elected to govern do just that, once there have been more than sufficient opportunity, such as in the present case, of debating the matter, however complex it is.

In forcing the government to invoke Standing Order 75C to limit the debate in a more than reasonable way, the

opposition did not get the support of the public or the press, at least not in my province, even if generally speaking, in such cases, there is a tendency to blame the government.

For instance, a well-known member of the press gallery, Mr. Charles Lynch, supporting the government, wrote in the *Gazette* of last December 2, and I quote:

• (3:10 p.m.)

[*English*]

In the matter of the tax reforms, the government is not telling Parliament to go to hell—it is denying the right of opposition parties to tell the government to go to hell.

[*Translation*]

Mr. Speaker, for years now a tax reform has been demanded, and since the government had the courage to bring it in, it was to be foreseen that any legislation to amend the tax structure would give rise to controversy, because if millions of taxpayers will pay less or no tax, others will be charged more. However, the government has accepted responsibility for such a bill. It has laid it before the House and everybody who wished to be heard was able to do so.

Besides, this reform is not indefeasible and like any important bill of general application it could be amended in the light of experience and of rulings made regarding its interpretation.

Mr. Speaker, after a few more days of general discussion at the third reading stage, it will be in the interest of the country and of Parliament to put it to a vote.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, having been accused by the Minister of Public Works (Mr. Laing) of being the second best debater in the House after all my other colleagues, I must answer that I felt that he flattered me but at the same time left himself in a hole. If I am the second best debater after all my other colleagues, I suggest that even if the hon. member is an egotist he must be third best to me, and if his colleagues are better than he is he must be fourth to them.

Today we have seen the House leader for the government on the defensive. We have heard him quote figures which were a distortion of the worst kind. To me this is an infamous day for Parliament, a day of infamy for Canada, particularly for a new country where freedom should flourish, a country that is healthy and fresh. We find that the government, by implementing this kind of closure, is turning back the chronometer of freedom, the kind of freedom on which our traditions were built, a thousand years in order to prove the omnipotence of the Prime Minister (Mr. Trudeau). He is able to enforce closure by his own omnipotence and by use of what I would call his basic herd—and we have heard a lot lately about the basic herd. He claims that he and they were given a mandate to do any infamous thing, even to the point of implementing an incomprehensible tax bill. On television the Prime Minister said: "I have the right to govern for five years and I can do anything in that time. Under the mandate that the people gave me I can implement a bill that has 707 pages, which has had 135 amendments, and ram it through by the method of closure".

Mr. Trudeau: When did I say that?

Mr. Woolliams: After today we have a half day on Wednesday, a day on Thursday and a half day on Friday. As pointed out by the hon. member for Winnipeg North Centre (Mr. Knowles), third reading under the new rules is the most important part of the debate on any bill that comes before the House.

Mr. Gibson: The public have had this one for three years.

Mr. Woolliams: Let me answer that immediately. They have been talking about tax reform for ten years, but let me just deal with that. We had a chance to study the white paper. When it was put into legislation, even the Minister of Finance (Mr. Benson) said, if I may quote his words, that the white paper was changed when the government brought forward its legislation.

If we had been given the opportunity we could have studied the bill, its 707 pages and 76 clauses, in a standing committee of the House of Commons. Experts could have been called to give information and knowledge to parliamentarians who would then have been able to debate the bill with knowledge and vote on it with knowledge. But closure is used to force through an incomprehensible tax bill containing 76 clauses and 707 pages, along with 135 amendments. The government is thrusting this tax measure upon Parliament and upon the people, creating a new tax system that is so incomprehensible that even our best tax experts in Canada have been denied the right to question or to determine what this monster contains.

This tax system will change our whole basic philosophy in Canada upon which freedom rests. It matters not, says the government; get it through Parliament. It does not matter whether we understand it; just get it through, force it through the Senate. We heard the swan song this afternoon of the hon. member for Vancouver South who was singing himself all the way to the other place.

First, the government brought forth the monstrous white paper. It was changed. These changes, unexplained, were then drafted into legislation. What should have taken place is that we should have had a study made by a standing committee, as I said. But this is the kind of democracy that we have under the present Prime Minister. What does it matter that this bill is ambiguous? What does it matter if no one can understand it?

However, that is not the definition of the Trudeau democracy. Over the weekend he has coined a new phrase or, rather, he has used an old phrase and given it a new meaning. His democracy is "buster's democracy". It is buster's way; it is buster's method; it is buster's muzzling of Parliament; and it is buster's way of indirectly muzzling even the Senate. The Prime Minister has said: "You have asked for tax reform and, buster, you have got it. You asked for closure under rule 76C and, buster, you have got it". That is what is called "buster's democracy".

Parliament did not ask for rule 75C; it was forced upon Parliament by closure. And, buster, this institution got it. The public did not ask for 707 pages of a tax measure or for the amendments. But buster's democracy forced it upon the people. That is what they call "buster's democracy", the old blockbuster.

On December 8, following the first closure motion, this institution went through the farcical and mechanical pro-

cess of voting on the 76 clauses of the bill. I think the Minister of Finance will agree with me on that. I quote the hon. member for St. John's East (Mr. McGrath), who said: "What a farce to spend four hours the other night voting on sections when I would say 90 per cent—being kind—of Members of Parliament did not know what the sections contained or what they were voting on". Members of Parliament did not know what the sections of the bill contained or what they were voting on. The basic herd opposite supported the Prime Minister and the Minister of Finance and voted for the bill. That is what you could call "buster" democracy.

• (3:20 p.m.)

Mr. Stanfield: The government does not understand the bill. I know it does not.

Mr. Benson: I think the Leader of the Opposition (Mr. Stanfield) is heckling.

Mr. Woolliams: No one understands what was voted for. Not even the Minister of Finance and all his experts comprehended the many changes that were introduced, and 90 per cent or more of the members of this House were forced to go through this mechanical procedure in Committee of the Whole without knowing what they were voting for or what the ramifications of the tax measure would be. When Parliament voted in favour of this measure the other day, it behaved in the worst possible way. I have never seen Parliament behave worse. The members voted for a measure they did not know about. Now the bill is to be sent to the Senate. The other place will have a chance to debate the bill for a day or two and then get on with the job of putting its rubber stamp on it.

Mr. McGrath: What an insult to the Senate.

Mr. Woolliams: This is legislation through ignorance and by ignorance and goes against all the principles of jurisprudence. After all, ignorance of the law is no defence. However, that seems to mean nothing to this government.

What we are doing today is not democratic; it is not even parliamentary. The Prime Minister and those who support him personify ignorance of the law. They have created nothing but contempt for this institution and now they threaten to create further contempt for the other place. The other place has been told what to do, how long to do it in and when to do it. It is to do it regardless of whether or not this monstrous tax system makes sense. I submit that this bill will completely destroy our economy and our way of life.

I submit, Mr. Speaker, that the Senate was created to protect minorities and to guard against errors made in this place. It is to scrutinize bills passed by this place and, when mistakes are discovered, to send them back here for consideration. If one looks at history one will see that when the Income Tax Act was first introduced the Senate made many changes. The bill was sent back to this place and the changes were concurred in. What chance will the Senate have in a day and a half to study adequately this monstrous bill?

Mr. McGrath: The government has put a gun to the head of the Senate.

[Mr. Woolliams.]

Mr. Woolliams: It would have been more honest if the government had brought in a single bill repealing the former Income Tax Act and then said: We have the right to enact new tax laws by order in council. At least that course would have been more honest. The government would have said to Parliament, if it had brought in such a measure: We do not want you to know what the law is, we intend to enact it in secret, we are bringing in a bill that will give us that right. The present system appears to be democratic but this is merely an illusion. The government appears to be saying: Look, you had a chance to vote on the different sections of the bill in the Committee of the Whole House. Would it not have been more honest, as I said, to bring in one bill to repeal the old Income Tax Act and then bring in an additional bill which would have given the government the right to impose taxes through Order in Council? That procedure would at least have been more honest. As it is, nobody understands this complex bill and what it will do.

Mr. Trudeau: Come on, buster. You can do better than that.

Mr. Woolliams: This is a day of infamy by reason of the procedure now being followed on the third reading stage of this bill. This is the second time that the guillotine is to be used. This constitutes the implementation of a form of totalitarianism which, through subtle methods, attempts to enforce the will of a few against the will of Parliament. If Parliament is to make decisions, it must make intelligent decisions based on the decisions of individuals. The few hours' debate in Committee of the Whole the other night when the guillotine was imposed was nothing but a mockery, a mockery of this institution, a mockery of freedom and a mockery of freedom of speech.

Mr. McGrath: Shame!

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the hon. member but his time has expired.

Mr. Trudeau: Take him away. Take him out.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, in his contribution to the debate today the President of the Privy Council (Mr. MacEachen) mentioned me. He was quite right in saying that I supported the government on the motion to end debate on the committee stage. I did not do so because I approved of Bill C-259; quite the reverse is the truth. It is my opinion that, as a result of that bill, we will wind up with a tax system which will still be grossly unfair and which will bear much too heavily on the lower and middle income groups.

On that occasion, Mr. Speaker, and I am speaking of when the first motion was introduced, the debate in committee had already lasted some 30 days. I received the assurance of my colleague, the hon. member for Waterloo (Mr. Saltsman) who had taken an active part in the committee stage discussions as well as in all other stages when Bill C-259 was before the House, that the opposition had had ample opportunity to present its main points during the debate. It was his view, and I accepted it, that further debate on that particular stage would be repetitive.

The value of that debate, of course, was fully illustrated by the withdrawal by the Minister of Finance of the provisions respecting the taxing of co-operatives and credit unions. I think that was a credit to parliamentary procedure, inasmuch as public opinion, largely aroused by the opposition, I believe, and supported by some members of the government party, produced substantial and beneficial changes in the bill. I wanted to make it clear then and I want to make it clear now that I do not oppose in principle the limitation of the time of debates, even if you want to describe this limitation by the harsher expression, closure.

I believe that the conduct of parliamentary business and, indeed, the welfare of democracy sometimes require the government to use its majority to terminate a debate that has gone on long enough. It should, of course, do everything in its power to work out a consensus with the parties. That is the best policy and I hope it will be adopted when possible. I think that closure to end debate in committee of the whole was justified. On another occasion, that of the flag debate, closure was justified because that debate had dragged on day after day and nothing new was being said or could be said. Therefore I voted in favour of closure then and I would do so again in the same circumstances. I may have been wrong, but I certainly was not irrational when I supported the government in the proposal to terminate debate in Committee of the Whole.

Let me make it clear that I take a different view of the present motion. The most important and, indeed, the crucial phase of debate under our present practice is that phase we embark on during the third reading stage. I do not think it is enough to confine that debate to four days. Indeed, I think that this limitation deprives the opposition of some of its basic rights, among them being the right to present to the public alternative policies by way of a series of reasoned amendments. I think this right is being taken away by the motion that is now before the House and therefore I think the rights of the opposition in that respect are being circumscribed. This, in my opinion, is in no way a justified, useful or valid application of the rule regarding allocation of time. In my opinion that rule is being abused. This motion constitutes an abuse of the rules of this House. It is an abuse of the legislative rights of the opposition. I speak for my colleague, the hon. member for Waterloo, who shared my opinion in the previous debate, when I say that we cannot and will not support the motion.

May I summarize the position I take. The issue, in my view, should not be whether closure is always wrong or always right. The issue ought to be whether it is justified by the circumstances, whether it is necessary in the interests of parliamentary rights and whether or not it is being used to abuse and curtail the rights of minorities. On this occasion it is my view that closure is being used to curtail unreasonably and unjustly the rights of minorities. I therefore oppose the motion.

• (3:30 p.m.)

Mr. John M. Reid (Kenora-Rainy River): Mr. Speaker, if anything can demonstrate the sad condition into which this Parliament has fallen, it has to be these two debates on allocation of time motions. It seems that the only time we have had a substantial number of members in the House listening to debate and the only time we have had debate we could listen to have been occasions of procedural motions. This would seem to be an indication of the failure of the opposition to make the House of Commons a meaningful place for debate to which the country would listen.

We have had a number of rather unfounded charges slipping through the House of Commons of late. The most notable was by the Leader of the Official Opposition (Mr. Stanfield) and is to be found at page 10078 of *Hansard* for Thursday, December 2, 1971. He said:

> The bill—
>
> Bill C-259.
>
> —was not distributed to our principal financial critic until two or three days before the House reconvened, and the rest of us did not receive a printed copy of the bill until after the House had resumed.

Now, what are the facts? The facts are that on July 12 the bill was distributed to all members of the House of Commons.

Some hon. Members: No.

Mr. Reid: Mr. Speaker, I repeat for the benefit of hon. members opposite that on July 12 the bill was distributed to all members of the House.

Mr. Baldwin: On a question of privilege, Mr. Speaker I did not get it on July 12. I did not get it until after the House had assembled. The member must take my word on that.

Mr. Reid: Mr. Speaker, the information I have—and I have done some research on this—is that the bill was distributed to all members of the House of Commons and Senate on July 12.

Mr. Stanfield: Mr. Speaker, on a question of privilege, we heard this sort of thing a minute ago. Is the hon. member questioning the word of the hon. member for Peace River or is he prepared to accept the word of the hon. member for Peace River?

Mr. Speaker: Order, please. The hon. member has made his statement and the hon. member for Peace River has made his statement. If the Leader of the Opposition is asking whether the hon. member for Kenora-Rainy River is questioning the word of the hon. member for Peace River, this is debate.

Mr. Reid: I want to make quite clear that the bill was distributed on July 12 and that a number of copies were distributed to hon. members. I went to the trouble of checking when my bill came. I am certainly not known as a government financial muscle man and I assumed the bill must have been made available to members of the opposition at the same time. I can understand why the hon. member for Edmonton West (Mr. Lambert) might not be able to find his copy because he is not as adequately served by staff as some hon. members opposite such as the leaders of the opposition parties. I cannot understand how the Leader of the Opposition, who has sufficient staff, could lose the bills in his office. I can see them going

around tippy-toe trying to find a hiding spot for a bill of this size.

If members of the Conservative party were not prepared for the debate on second reading and on the Committee of the Whole stage, after having had the whole summer, they certainly were alone in this because every lawyer and every chartered accountant I know had access to the bill and was working on it. I am surprised that the lawyers, accountants and supporters of the Conservative party did not make copies available to them, or that copies were not obtained from the distribution office or from the government.

Another matter which should be dealt with is the question of who did all the talking on the second reading and Committee of the Whole stages. Who was unprepared? The hon. member for Edmonton West, who I think has a very good grasp of the principles of the bill, spoke 40 times. The hon. member for Halifax-East Hants (Mr. McCleave) spoke 16 times and the hon. member for Parry Sound-Muskoka (Mr. Aiken) spoke 12 times. I did not bother counting the contributions the House leader for the Tory Party made because he never spoke once on the bill.

What we are debating is the question of how much time is enough time to pass legislation. During the past year we have had three examples of legislation going through the Committee of the Whole. We had the government reorganization bill, the Emergency War Measures Act and this bill. What about the results in each case? Each case took at least a month of the time of the House of Commons. In the case of the government reorganization bill two amendments were forced by the opposition. One made the Minister of the Environment the Minister of Fisheries, and the other required that when a Minister of State is appointed there is to be a two-hour debate in the House of Commons. I do not know whether the opposition feels that after six weeks of debate these are significant amendments. I think they are a waste of time.

We must also look at what transpired in respect of the War Measures Act. Not one amendment was accepted. This was another waste of time. The bill should have been sent to the Standing Committee on Justice and Legal Affairs instead of taking up the time of the House in Committee of the Whole.

What has happened is that the role of Parliament has changed. The only thing that has not changed is the opposition members. This same old party has remained as it has been in the last 50 years. The members are condemning themselves forever to staying in the opposition because they do not understand how Canadian society in the 'sixties and 'seventies works and why they will not win the next election. The House of Commons is a forum for debate. The question to decide is how long shall a debate continue, how long should the debate go on, given the quality of debate we get. I suggest that any member opposite who reads the debates on the Committee of the Whole stage and discovers how many speeches in point of fact were directed to the clauses under discussion will find that very little of the debate was really germane or to the point.

An hon. Member: What are you speaking about?

[Mr. Reid.]

Mr. Reid: I am speaking of the allocation of time motion. At least I am on the point. Then the question is, when shall a decision be taken? I thought the comments made by the House leader of the New Democratic Party were particularly well taken. In effect he said that this Parliament has been a failure as it had been unable to allocate its time in any meaningful way, any sensible way or in any way in which the Canadian public could take at least a simple sense of pride. The point is that once we get on a piece of legislation there is no way to bring debate to a conclusion unless the opposition determines it. Whether or not a debate comes to a conclusion has nothing at all to do with whether an amendment of substance is accepted, as witness the two cases I gave before of the government reorganization bill and the Emergency War Measures Act. There must be some mechanism for bringing a debate to a conclusion. The sooner we work out in this chamber an allocation of time, the less we will have to go through uncomfortable scenes of this nature.

I point out to the House leader of the Conservative Party that there is power within Standing Order 75B, according to some readings of it, for the three opposition parties to determine when the debate should close. If there was any other motive on the other side except an attempt to extend the debate indefinitely they certainly would have been able to come to an agreement with the government under rule 75B which would have had the effect of concluding debate in a reasonable time. The reason we are implementing 75C is that there is no agreement between parties opposite and the government. So we have a failure of Members of Parliament and particularly the parties of this Parliament.

We have a responsible system of government. A responsible system of government implies that parties will take positions, will debate and then reach a conclusion. We were sent here to talk, certainly, but the other half of the equation, that we are also sent here to take decisions, should not be forgotten.

• (3:40 p.m.)

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, some of us have listened with considerable interest to the Fascist-tinged philosophy of the hon. member for Kenora-Rainy River (Mr. Reid) who just sat down. Clearly he has not the slightest comprehension of the purpose of Parliament or of the parliamentary process, but many of us assume that his ideas are exactly those of many members of the government party who sit not only at the back but on the front benches. His strange reference to the debate in committee being irrelevant seemed to me at least to be a reflection on Your Honour as it is my understanding that debate in this chamber, in committee stage or at any other stage, is required to be relevant. But that means nothing to the hon. member.

It is very interesting that the hon. member who has just taken his seat brought up the question of when closure should be applied. That is a good question. Clearly one time it should be instituted is in the case of a national emergency. I do not think there would be any argument about that; a debate in such circumstances is something we would have to forgo, as indeed members of any Canadian parliament should. But in this case we are not

confronted with any national emergency so far as the tax bill is concerned, so that excuse is clearly out.

The next reason for closure in any form is when debate is unnecessarily prolonged and obstructive. It is said that the government has the right to get its business through. We have heard that, and I do not think anybody would disagree with that. But when a debate should be brought to a conclusion is not a matter of fact but a matter of opinion depending on the circumstances of the case. Earlier in the debate this afternoon the government House leader said that we have debated this matter for 46 days. This was a debate on a bill which is the largest, most massive and most all-pervading piece of legislation that has ever been presented to any Canadian parliament. It consists of 705 pages and it affects directly every single person in this country in one way or another. Nothing could be more complex, and since Parliament commenced discussion in September hundreds of amendments have been made. The full content of this enormous bill was not known until last Tuesday after closure had been introduced.

Some hon. Members: Oh, oh!

Mr. Nesbitt: Since everybody has been quoted here today, let me quote from a letter I received. On November 17—I hope I will get time for the interruptions from the government side.

Mr. Baldwin: Squeaking kewpie dolls.

Mr. Nesbitt: On November 17 I received a letter from the Minister of National Revenue (Mr. Gray) in reply to a request I made to the minister asking for clarification of certain of the proposed tax measures affecting credit unions. I asked what the effect of the proposals would be. The minister replied, and his letter is not written in confidence or restricted in any way:

> Unfortunately, it is not possible for my department to compute the tax that would be payable under the tax reform proposals, as the proposed changes are not yet fully known. In particular, the amount of reserves that will be allowed for tax purposes is not yet known. Officials of the Department of Finance may, however, be able to give you an idea of the comparative tax liabilities under the two systems.

That letter was written on November 17 long after the debate was well under way and apparently the government did not know. So it is ridiculous to say that the bill was known to Members of Parliament either on September 1 or June 30 or on July 12. I certainly never received my copy of the bill, nor was it brought to my attention in any way, until I returned here after Parliament was recalled. I do not know how the government members managed to obtain their copies so early. There must have been some kind of preference as we have seen before. I am sure the Minister of Communications (Mr. Stanbury) knows all about that. I am not a wearer of the "Purple" as is the Minister of Communications but I suppose it is "Purple" second class. However, perhaps the minister realized that.

The government has three firsts on this bill: the first time in history that closure has ever been used to bring in a tax bill, the first time that such an enormous piece of legislation has been presented to Parliament, and the first time closure has been invoked before all the contents of the bill were known to Parliament.

Mr. Baldwin: How about the first time we have had such a Minister of Finance?

Mr. Nesbitt: That goes without saying. The government says that 46 days of discussion of the bill is enough. No chartered accountant—and I defy the minister or any of his colleagues to bring forth a genuine chartered accountant who is not in some way attached to the government retinue—will agree that anybody in Canada understands the bill. The bill is clearly a creation of the civil service. As one of the government's supporters in the press gallery said the other morning over the CBC a couple of days ago, it is an honest attempt by the civil service to reform the tax system.

I doubt very much that the minister himself can answer all the questions on the bill. I remember the time when the white paper was first presented and we were in the railway committee room asking the minister questions on it. As I recall, the minister was able to answer a few of the questions but most of them he referred to Mr. Bryce, the deputy minister. That is what happened. I doubt very much that the minister can answer some of the questions now. For instance, I have one right here. This is what we are talking about, Mr. Speaker.

Mr. Benson: I rise on a point of order, Mr. Speaker. I was not in the railway committee room when the white paper was presented.

Mr. Nesbitt: I distinctly remember asking the Minister of Finance a question to which he replied that he was not familiar with that part of the bill and that Mr. Bryce could answer the question.

Mr. Benson: I was not there.

Mr. Nesbitt: The minister must have a very short memory; if his memory fails that badly it is good evidence that he should not be Minister of Finance.

I believe the minister is one of those who have said that this bill is so readily understandable that anybody on the street can read it and understand it. There are hundreds of unintelligible sections in the bill but a typical one is section 192(10). I would like to have the minister stand up in the House and explain this one to us. We did not get a chance to ask him questions on it on account of closure. It reads as follows:

> The assumption is made that the amount of the earnings for the control period that was available for payment of dividends of each corporation, other than the control corporation, control of which was acquired by the controlling corporation by virtue of its acquisition of control of the controlled corporation, were computed as if each corporation that controlled the chain corporation, at the time the controlling corporation acquired control of the controlled corporation, had acquired control of the chain corporation at that time.

Here is something that can be safely said to be just as clear as mud. Is it the kind of thing that anybody could read and understand?

Finally, we should ask ourselves why closure is necessary. We discussed when closure should be invoked and when it should not and how much time we should allow for the discussion of the parts of the bill that have not yet

been discussed. But why closure? Who will be hurt if the bill is not made law by the first of the year? What difference will it make if it is delayed a day, a week, a month or even a year as most provinces want? Who will be hurt? The answer is, only the egos of the Prime Minister and the Minister of Finance, nothing else, and that is just about it. I know one can see members over there "laughing and scratching" about our complaints concerning the bill being pushed through by closure just the same as the Liberal members did in the pipeline debate. Nothing has changed, only the faces. They all laughed and said that the public think it is great. It is strange that some of the members as well as the Minister of Finance have pretty short memories. Look at what happened to the government of that day under the Right Hon. C. D. Howe. Mr. Howe had little regard for the parliamentary process but had a good deal of ability in many other ways, which is more than can be said for this outfit. The same thing happened—

• (3:50 p.m.)

Mr. Speaker: Order, please. I regret to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the most glaring error this government is making is to believe that the Canadian Parliament is a tool that it can manipulate as it wishes if it is in its own interest.

Mr. Speaker, some may find these words rather harsh, but I say very frankly they are fundamentally true. On account of the opposition's frustration, Canadians are presently living a very sad moment, namely the downfall of a government which replaces dynamism, efficiency and imagination in its bills by force and haste to have them passed in order to avoid too much criticism. In short, the quicker the tax reform bill is passed, the less time people will have to say what they think about it, and the quicker they will have to swallow it.

Some government members spoke on the motion under Standing Order 75C this afternoon, but not one succeeded in raising a point which would have prompted me to support the motion.

Mr. Speaker, the members of the opposition are charged—the hon. member for Brome-Missisquoi (Mr. Forest) did so a while ago—with filibustering. As a result of the alleged filibuster by the opposition, the government goes to the other extreme—provided there is such a filibuster—and is taking a drastic step, closure.

It would perhaps be appropriate, Mr. Speaker, to ask ourselves what a filibuster is. In my opinion, even if my knowledge on the matter is quite limited, a filibuster is a kind of voluntary and excessive delay of House proceedings to the extent that any progress is practically impossible. A filibuster means to me that nothing works in Parliament and that the loss of time or lack of progress are not in the interests of Parliament, the government or the people.

On the basis of the definition, what is happening in the House? Is there a filibuster?

[Mr. Nesbitt.]

If it were proved to me that I or anyone else have been filibustering, I would agree with invoking closure because I do believe in Parliament and the efficiency of the member's role.

But, Mr. Speaker, that is not the case. There has been no filibustering in this House since the start of this debate. There have been many speeches, at times useless, such as we heard this afternoon. You seemed impatient, Mr. Speaker, and, believe me, I shared your impatience.

But, when we start a job, be it a tax reform bill, a bill on invoking the war measures act, a bill on the reorganization of the government or any other bill, what is its evolution, what are the various stages, outside those provided for by the procedure?

First of all, this bill came to hon. members for a preliminary study. Then, according to the procedure, there are different stages. Once the bill has been analysed and examined closely, members of all parties are called upon to move amendments. Once all this has been done time has come for adoption of the bill. One thinks about carrying the bill only after the members have had time to study, to examine closely, to analyse and to try to improve it by amendments.

However, since we began to discuss this bill the government did not accept any amendment from the opposition. Last week we moved an amendment in favour of small income people. In any event, it is for those people that the members of the Social Credit Party are in this House. The purpose of our amendment was to give workers, farmers and small income people generally the same rights as professionals enjoy, that is, that they be allowed to deduct part of the cost of their equipment, as the latter is absolutely essential to them if they are to make a living.

What happened, Mr. Speaker? Because of an archaic, ridiculous procedure, the vote taken in committee of the whole was a bingo. Because of this procedure, some government members voted against the proposals. Then they turn around and tell us that Créditiste and other opposition members accomplish a useless task, that they filibuster and waste everybody's time. Our main duty as members, what we are paid for, is to see to it that bills serve the best interest of Canadians. This is why we moved an amendment.

Today, closure is brought in, and we are told: You have no right to move an amendment, you are delaying business of the House.

Mr. Speaker, either we believe in Parliament, or we do not. If we do have faith in Parliament, we shall accept positive amendments coming from either side of the House.

As for me, I am interested in considering any amendment coming from the government and I have examined with interest those brought forward by the hon. Minister of Finance (Mr. Benson). But why should the opposition demonstrate such an honest and objective attitude towards what emanates from the government whereas government members consider whatever comes from the opposition to be wrong. Why? Because the government has no faith in Parliament.

Mr. Speaker, the government consider that closure is the best way for them to avoid debate and improve their bills.

However, they have resorted to Standing Order 75C, denying us any amendments, complaining when we speak, when we carry out our duty imposing closure on the debate in committee of the whole. The government is now imposing closure at the third reading stage. We shall have three and a half days at the most to study 790 pages and propose amendments, if that is ever possible.

• (4:10 p.m.)

Once closure has been imposed in the House of Commons, the government will do the same in the Senate and tell them: Do what you will, this bill must be passed but by the 1st of January. This means that senators will not be able to propose any amendment, for if they do the bill will have to be referred back to the House of Commons. And then, it is impossible, from a technical point of view, for this bill to be passed by New Year's. In other words, the government will befoisting upon the Senate the same bill that they will have rammed through the House of Commons. So, what is the Senate? A useless institution, as I believe it is! If the government have faith in it, as they told the Senate, let them prove it to us and stop fooling it. Otherwise, they admit that we are right.

The Minister of Finance told senators the other day: Pass this bill before Christmas and I promise that afterwards you will be allowed to bring amendments to it. Why not, then, propose amendments right now? What urgency is there to pass this legislation before New Year's? In any case, there is not enough time until then to achieve the just society.

In short, the government has lost control of the situation in taking a wrong decision in the first place, that is in bringing in this overly thick, complicated and exhaustive legislation. They want us to discuss a 790-page bill as we would discuss a 12-page one. There is a big difference between the two. It is impossible to spend so little time on such a bulky bill. Today the government is held down by its first decision. This is why it finds itself compelled to sink deeper every day into the repercussion of this bad decision. It invoked closure on the debate at the stage of the committee of the whole and has done it again today. Tomorrow, it will drop the guillotine in the Senate and say: Now we have the just society.

I think that Canadian democracy as we experience it now in Parliament is in danger because the government thinks Parliament and the Senate are its servants, whereas we say Parliament and the Senate should be at the service of the Canadian people. It is not the same thing, Mr. Speaker. There is a great difference.

If at least a reform of Parliament was under consideration so that the government could not be defeated by any other means but a non confidence motion, each member, of whatever party, could express himself and vote freely according to his conscience without fear of defeating the government. We would then be interested in agreeing on time limits, since government members would be doing the same work as opposition members. However, I understand why closure provisions are invoked: government members envy us because we are able to do our work while they are prevented to do theirs on account of their being gagged all year long.

[*English*]

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, this is one of the most important debates in the history of the Canadian House of Commons. I hope, Mr. Speaker, that as a result of this debate the majority of the House of Commons will demonstrate that they can govern Canada and that they shall govern Canada.

The subject of the motion is whether or not the majority of the Members of Parliament can place a time limit on debate. If the fate of government legislation is left to the whims of opposition members at this important time in our history, then we shall all be actors in the slow but gradual decay of Parliament. The House of Commons will no longer represent a forum for public debate but will flounder and disintegrate as an anachronistic tower of Babel, scorned by the Canadian people.

Mr. Peters: At least you had a better speech writer than the last one.

Mr. Gibson: As time goes on Parliament will at last be conscious of the clock. The hon. member for Timiskaming (Mr. Peters) might bear that in mind. At last the House of Commons has climbed to the same high level of debate as is practised in the House of Commons at Westminster. In the Mother of Parliaments there are opposition leaders skilled in the cut and thrust of debate. The Conservative House leader might well study the rules of Parliament as I am sure he knows very well that in Westminster a time allocation rule goes into effect as regularly as Big Ben on the hourly note. The really shallow hypocrisy of this debate should be disclosed to the Canadian people.

I urge members of the opposition to support this motion as do all other parliamentarians in the Commonwealth Parliamentary Association, in the Inter-Parliamentary Union and throughout all western democratic institutions, or they will find themselves within that narrow band of dissident minorities who are not moving with the times. I plead for removal of obstruction and delay in debate. I attack outdated rules of antiquity. I plead the case for efficiency in this House, not gamesmanship. I support a system of planned debate based on reasonable time limits—

Mr. Lambert (Edmonton West): Does that include reading speeches?

Mr. Gibson: —not repetitive irrelevant criticism. I advocate a system of debate which is structured to improve the law, not calculated to fill up pages of *Hansard* with repetition. I seek fair play in the great chamber, the House of Commons, this chamber which is the greatest assembly of Canadians from coast to coast.

Mr. Lambert (Edmonton West): Would the hon. member tell me whether that is his speech?

Mr. Gibson: Yes, I swear on a stack of Bibles that I wrote every word of it. Without reform how can we proceed to pass urgently needed legislation?

Mr. Paproski: Those are not Bibles; those are tax bills.

Mr. Gibson: Mr. Speaker, our pledge to the people was to legislate, not to procrastinate; to govern, not to hedge; to act, not to evade. For these reasons I urge speedy

passage of the tax reform bill. Democracy means rule by a majority of votes, not obstruction by a minority of votes.

If one examines the records of the provincial legislatures from coast to coast in Canada today one finds that no provincial assembly tolerates filibuster and delay which have the effect of hindering democratic, legislative progress. However, Mr. Speaker, because of antiquated procedural practices, not all of which are the fault of the opposition, the legislative process in the House of Commons sometimes grinds to a halt. The opposition obstructs, be it Conservative, NDP or Créditiste or even Liberal. The rules have not provided proper time limits for debate in the past. At last we have passed a reasonable rule creating limitation of debate.

In conclusion, Mr. Speaker, may I be permitted to say that fundamentally we will all have made a great contribution to the advancement of Canadian parliamentary democracy by supporting this motion.

Mr. Speaker: Order, please. It being 4.09 o'clock p.m., the two hours provided for consideration of the motion now before the House under Standing Order 75C have now expired. Accordingly, under the terms of the said Standing Order it is my duty to interrupt the proceedings and put every question necessary to dispose of the said motion.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division:

• (4:20 p.m.)

YEAS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chrétien
Clermont
Cobbe
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Émard
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Guay (St. Boniface)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kierans
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacEwan
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
O'Connell
Olson
Orange
Osler
Otto
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Reid
Richard
Richardson
Roberts
Rochon
Rock
Roy (Timmins)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis—123.

NAYS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Bell
Benjamin
Bigg
Blackburn
Brewin
Burton
Cadieu
Carter
Coates
Code
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas
Downey
Fairweather
Flemming
Forrestall
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Harding
Harkness
Hees
Horner
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Laprise
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Monteith
Muir
Murta
Nesbitt

Messrs:

Nowlan	Simpson
Orlikow	Skoberg
Paproski	Skoreyko
Peddle	Southam
Peters	Stanfield
Ricard	Stewart
Ritchie	(Marquette)
Rodrigue	Tétrault
Rondeau	Thompson
Rose	(Red Deer)
Rowland	Valade
Rynard	Winch
Saltsman	Woolliams
Schumacher	Yewchuk—93.
Scott	

• (4:30 p.m.)

Mr. Speaker: I declare the motion carried.

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REGIONAL ECONOMIC EXPANSION

REQUEST FOR TABLING OF ANALYSIS OF PROJECTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Burton (Regina East): Mr. Speaker, I rise to move a motion under Standing Order 43 concerning a matter that was raised in the House of Commons yesterday in connection with a study that was made of the impact of regional development grants and regional development incentive grants, with particular reference to the province of Quebec. May I just say during my preliminary remarks that I sent notice of the fact that I was going to introduce this motion to the Minister of Regional Economic Expansion (Mr. Marchand), to the government House leader and to the other House leaders in order that all parties would have an opportunity to consider this matter before I raised it in this House.

There were nine fundamental criticisms raised of the regional development program in this study which I feel deserve consideration by all members of the House. Therefore, I move:

That the subject matter of a special study of the programs of the Department of Regional Economic Expansion by the Quebec Federation of Labour be referred to the Standing Committee on Regional Development for study and report thereon.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Regina East under the terms of Standing Order 43. Is there unanimous agreement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous agreement. The hon. member's motion cannot be put.

[*Translation*]

PRIVILEGE

MR. RONDEAU—ALLEGED ABSENCE OF CRÉDITISTE MEMBERS FROM STUDY SESSION CONDUCTED BY CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS ON BILL C-259

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I rise on a question of privilege.

According to the second paragraph of the left hand side column on page 10406 of yesterday's *Hansard*, the hon. member for Laurier (Mr. Leblanc) had this to say, and I quote:

Well, CICA members—and I commend them for it—came here to give a full day's course to hon. members and that, at their own expense. I do not recall having seen a single Créditiste member attend this course. Where were they? How interested are they in this bill? How can they understand it, since they don't even go to the official information sources—

This statement, Mr. Speaker, is absolutely false and misleading unless the hon. member for Laurier has deliberately misinformed the House—

Mr. Speaker: Order. This is a matter of debate between the hon. member for Shefford and the hon. member who, in his opinion, has made the statement to which he refers.

The hon. member for Shefford wishes to rise in accordance with a standing order allowing him to raise the question of privilege. The hon. member should know that he must give notice to the Chair to that effect and having received none, I do not think, under the circumstances, that he can rise on a question of privilege.

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

LEVEL OF CANADIAN DOLLAR—CANADIAN POLICY IN VIEW OF ALLEGED INTENTION OF UNITED STATES TO DEVALUE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. Prime Minister a question arising out of the upward movement of the Canadian dollar from 92½ cents since it was unpegged to something over par now with the U.S. dollar. Is it the policy of the right hon. gentleman's government to allow the Canadian dollar to float freely and cleanly in relationship to the U.S. dollar and other world currencies?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, it is.

Mr. Stanfield: A supplementary question, Mr. Speaker. Does the government propose to take any measures at all to prevent the Canadian dollar from moving significantly above par with the United States dollar? I ask this question particularly in view of the declared intention of the United States government to devalue the United States dollar and the consequential upward pressures that this will put upon the Canadian dollar.

Mr. Trudeau: Well, Mr. Speaker, I take it that we would not need to take any particular measures. If the United States did devalue its dollar, it is likely that our free float would move downwards.

Mr. Stanfield: A further supplementary question, Mr. Speaker. Might I ask the right hon. gentleman to consult with the Minister of Finance or with somebody, such as the President of the Treasury Board, to straighten him out on what the effect would be on the Canadian dollar of a devaluation of the United States dollar, because it would be precisely the opposite of what the right hon. gentleman said.

Mr. Speaker: Order, please. That is hardly a question. The Leader of the Opposition is suggesting consultations between ministers and I would not think that that is a proper supplementary. The Leader of the Opposition might wish to rephrase his question.

INQUIRY AS TO GOVERNMENT POLICY TO ASSIST INDUSTRIES PREJUDICIALLY AFFECTED BY UPWARD MOVEMENT OF CANADIAN DOLLAR

Hon. Robert L. Stanfield (Leader of the Opposition): Then might I ask the right hon. gentleman whether he has any policy to put into effect to assist the industries that are being prejudicially affected by the upward movement of the Canadian dollar, particularly in view of the very distinct possibility that this will continue in light of developments. Has the right hon. gentleman a policy to put into effect, or is he prepared to let these policies go down the drain, as they have during the past year or so?

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

ALLEGED INTENTION OF UNITED STATES TO DEVALUE DOLLAR—DISCUSSION WITH PRESIDENT NIXON

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Prime Minister a supplementary question on the same subject. In view of the report from the Azores that the President of the United States and the President of France have issued a communiqué saying that the intention is to have the United States dollar devalued and other currencies revalued upwards, may I ask the Prime Minister whether this subject was discussed during the Prime Minister's meeting with President Nixon and also whether the government has had any official information about this decision by the President of the United States and the President of France?

Mr. Trudeau: Mr. Speaker, this subject was discussed, but this particular announcement, which is not a decision, was not discussed by us.

LEVEL OF CANADIAN DOLLAR—ALLEGED SUGGESTION BY UNITED STATES TO REVALUE UPWARDS—CANADIAN REACTION

Mr. David Lewis (York South): A further supplementary question. May I ask the Prime Minister whether in the discussions, or in the information that he has from the Minister of Finance, there was a request by the United States that the Canadian dollar be revalued upwards as well as other currencies relative to the United States dollar? If so, is the government prepared to accept this suggestion by the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this was put to all members of the Group of Ten, including Canada, by the United States representatives. Our position has always been that we would have a free float.

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker. Is it the view of the Prime Minister and his government that if all currencies other than that of the United States are revalued upwards relative to the U.S. dollar, Canada's currency will not be revalued upwards?

Mr. Trudeau: Yes, Mr. Speaker, that is the position of Canada and we have explained it many times. A year and a half ago or more, in June 1970, we did have this upward movement of the Canadian dollar when we unpegged the dollar. The hon. member might remember that.

Mr. Hees: A further supplementary.

Mr. Speaker: Order. The Chair will allow one last supplementary on this subject and then recognize the hon. member for Regina East. We must try to make progress.

Mr. Hees: I was not referring to what has gone on so far, Mr. Speaker. I am asking the Prime Minister as of today, following this announcement, whether if all other currencies are revalued upwards the Prime Minister believes that Canada's currency would not be revalued upward but would remain stationary.

Mr. Speaker: Order. I suggest that in those terms the hon. member's supplementary question is hypothetical. I will recognize the hon. member for Edmonton West in a moment. I think we should try to complete the first round of questioning, and I will return to him immediately thereafter.

* * *

• (4:40 p.m.)

TRADE

U.S. DISC LEGISLATION—REQUEST FOR STATEMENT ON IMPACT ON CANADIAN ECONOMY—DATE OF ANNOUNCEMENT OF CANADIAN POLICY

Mr. John Burton (Regina East): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Could the minister inform the House and the Canadian public of any estimate he has of the probable impact of the DISC act on the Canadian economy and, specifically, could he give information as to what sectors of our economy and what products will be most affected. Also, if necessary, would he be prepared to make a statement on motions on this subject at the earliest possible time?

Mr. Speaker: Order, please. I suggest to the hon. member that this is such a general question requiring a wide-ranging reply that normally it should be replied to by way of a statement on motions. If the minister wants to indicate whether such a statement will be made, that

would be in order. He should not make that statement now.

Mr. Burton: A supplementary question, Mr. Speaker. May I ask the minister if the government has completed its studies of the DISC act, as approved by the President of the United States. Has the government assessed what the impact will be for Canada and can the minister say what action the Canadian government is to take to deal with the problems arising from that act?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the Prime Minister and I have said on a number of occasions how difficult it will be to assess the effect of the DISC program on the Canadian economy, because it is impossible to isolate the DISC plan from all other factors such as currency valuation, the surcharge, cost of production, etc. We are monitoring the situation. We suspect that in certain industries DISC will not be used and we know that there is a possibility that it will be used in others. It is impossible to give the sort of black and white answer for which the hon. member is looking.

Mr. Burton: A further supplementary question, Mr. Speaker. Could the minister inform the House when the government will be in a position to announce policies to deal with this situation and, particularly, when it will be in a position to announce contingency action for dealing with the immediate impact that may result from this act?

Mr. Pepin: Mr. Speaker, that is a better question, if I may say so. Then I may say that the government, looking at the totality of the economic situation between Canada and the United States will announce its contingency action in the course.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

EXEMPTION BY QUEBEC OF PROVINCIAL CIVIL SERVANTS—POSITION OF FEDERAL GOVERNMENT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, in the absence of the Minister of Labour I shall put my question to his parliamentary secretary.

Is he in a position to tell us whether or not the Quebec government has taken a decision about the contributions of certain categories of employees of that province to the unemployment insurance fund?

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the Minister of Labour is not in the House today. I will advise him of the question and make sure that an appropriate reply is prepared for tomorrow afternoon.

[*Translation*]

Mr. Speaker: Does the hon. member for Sainte-Marie wish to ask a supplementary?

Mr. Georges Valade (Sainte-Marie): Yes, Mr. Speaker.

In the absence of the Minister of Labour, I would like to ask the right hon. Prime Minister if, following the decision taken by the government of the province of Quebec to exclude from the Unemployment Insurance Act CEGEP and hospital employees which the Quebec government considers to be provincial civil servants, it is his intention to nullify that decision by enacting special regulations. In other words, what are the intentions of the federal government in this regard?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, there will be no special regulations. The act is known to this House for it was passed by this House. The government intends to announce very soon the regulations under this act. They are clear and known to everyone, including the government of the province of Quebec.

* * *

[*English*]

THE CANADIAN ECONOMY

POSSIBLE REVALUATION OF UNITED STATES DOLLAR—ACTION OF GOVERNMENT WITH REGARD TO CANADIAN CURRENCY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my supplementary question is directed to the Prime Minister and relates to the subject of international finance. Would the Prime Minister tell the House, if the United States were to indicate to Canada that the United States dollar is to go back to a revised base, whether Canada's currency is to be pegged. How does the Prime Minister envisage the continued floating of our dollar, which is outside the terms of the International Monetary Fund?

Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have had a floating dollar and this has not detracted from our membership in the International Monetary Fund. It has been our position—and it will be even more important to adopt it if the Americans devalue their dollar—that it is impossible for anyone to state with precision where the Canadian dollar ought to be fixed. That is why we have relied on market forces to set the level of this floating dollar at whatever rate is judged to be the right one by the international money markets.

* * *

TRADE

MINI-TYPE SUBMARINE—CANCELLATION OF EXPORT PERMIT ISSUED TO INTERNATIONAL HYDRODYNAMICS—DISCUSSIONS WITH UNITED STATES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce and arises from a press release issued this morning which indicated that, for security reasons, the export permit of a B.C. firm has been lifted. Can the minister tell the House, first of all, what security risks exist now that were not present at the time of the issuing of the permit?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, new information was gathered. The decision was made to cancel the permit in question.

Mr. Forrestall: A supplementary question, Mr. Speaker. Can the minister tell the House if any discussions have taken place between the officials of his department or officials of the Department of National Defence and corresponding United States government officials respecting the sale of this mini-sub? If so, what was the nature of these talks? Also, was the decision to lift the export permit based on these discussions?

Mr. Pepin: Mr. Speaker, indeed, such conversations do take place between the Canadian government and the American government on occasions of this kind, as is normal between two allies. However, the decision was made strictly for Canadian security reasons.

Mr. Baldwin: No doubt that is what the Prime Minister told the President in Washington.

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ENERGY

NATURAL GAS—REQUEST FOR REVIEW OF BOARD DECISION IN VIEW OF DISCOVERIES BY PANARCTIC

Mr. William Skoreyko (Edmonton East): Mr. Speaker, may I direct a question to the Prime Minister. In view of announced discoveries by Panarctic oil of natural gas in the Ellef-Ringnes Islands of the Northwest Territories, is the Prime Minister willing to intercede on behalf of Alberta producers and ask the National Energy Board to review applications which were recently turned down?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member is suggesting that the government should intervene with the National Energy Board, I have suggested previously that the law does not permit us to do so in such circumstances.

Mr. Horner: I think the law certainly does.

GAS AND OIL—ALLEGED INTENTION OF ALBERTA TO FORCE PRICE INCREASES—POSITION OF FEDERAL GOVERNMENT

Mr. William Skoreyko (Edmonton East): A supplementary question, Mr. Speaker. Does the government intend to resist the upward forcing of the price of gas and oil, to prevent Canadian domestic prices from reaching the level of prices in the United States market. Does this accord with the objectives of the Alberta government and producers in Alberta?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it is not so much a question of the government resisting as determining what is in the interests of the Canadian public. If such a measure were contemplated by the Alberta government, it must realize, of course, that it would be the consumer in Quebec and Ontario who would pay for additional subsidies to the Alberta people. I am not sure those consumers would be happy to do so.

Mr. Lambert (Edmonton West): What about Saskatchewan potash? You let them get away with it.

POST OFFICE

POSSIBLE PROSECUTION OF PROFESSOR VANDERBERG FOR ALLEGED FALSE STATEMENTS—POSITION OF POSTMASTER GENERAL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Postmaster General. In view of the reported statement by the Assistant Deputy Postmaster General to the effect that the department is contemplating legal action against Professor Vanderberg for making false accusations against the management of the Post Office, could the Postmaster General inform the House whether he, himself, intends to take such action?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, Mr. Barrière did not give any press conference or make any public statement in this connection.

As for taking legal action against Mr. Vanderberg I can see no reason for doing so.

[*English*]

SUGGESTED MEETING BETWEEN PROFESSOR VANDERBERG, UNIONS AND POSTMASTER GENERAL

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker. Would the Postmaster General consider meeting with Professor Vanderberg and representatives of the postal unions to discuss the alleged charges, so that there might be an amicable understanding on the matter instead of the possible legal action.

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, if they want to meet with me, I would have no objection at all.

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PROVINCIAL AFFAIRS

NEWFOUNDLAND—POSSIBLE ADVICE TO LIEUTENANT GOVERNOR WITH REGARD TO SITUATION FOLLOWING ELECTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, may I direct my question to the Minister of Transport. Has the minister advised the Prime Minister to request the Governor General to have the Lieutenant Governor of Newfoundland summon the House of Assembly of that province into session?

Mr. Speaker: Order, please. The hon. member knows that this question cannot be asked in those terms of the minister. Perhaps the hon. member might like to rephrase the question or ask another question of the minister. The hon. member, I am sure, knows that in those terms the question cannot be answered.

• (4:50 p.m.)

Mr. Carter: Mr. Speaker, I will then direct my question to the Prime Minister. Has the Prime Minister received advice from the Minister of Transport or from his own advisers or federal law officers to have the Lieutenant-Governor of Newfoundland, who was appointed by the Governor in Council, call the House of Assembly into

session so that the parliamentary situation in Newfoundland can be properly resolved.

Mr. Speaker: The hon. member for Prince Edward Hastings. Perhaps the Chair might recognize the hon. member for St. John's East and then the hon. member for Prince Edward-Hastings.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary for the Prime Minister. As His Excellency's principal adviser, has the Prime Minister been called upon to give advice regarding the constitutional situation in Newfoundland?

Right Hon. P. E. Trudeau (Prime Minister): I have not been called upon to do that, Mr. Speaker, neither by the Minister of Transport nor by His Excellency or by the Queen. But if the opposition is advancing the interesting constitutional theory that I should be telling the Lieutenant-Governor of a province what he should be doing, I will apply this to Newfoundland in the coming months.

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INQUIRY OF THE MINISTRY

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. Could the right hon. gentleman identify to the House the gentleman to whom he referred on several occasions merely as "Buster" in his impassioned plea for funds delivered to the faithful in Montreal on Sunday night.

Mr. Speaker: Order, please. The hon. member knows that this question cannot be asked.

Mr. Hees: Mr. Speaker, May I ask a supplementary. I will rephrase my question. Is the purpose of this whole exercise to make the Prime Minister out as a tough guy instead of the dilettante dabbler in social issues the country has known him as. Answer that one.

Mr. Speaker: The hon. member for Nanaimo-Cowichan-The Islands.

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TRADE

U.S. DISC LEGISLATION—CRITERIA FOR APPLICATION TO COUNTRIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. In the discussions he and his officials have had with their counterparts in the United States, has the United States government indicated to him or to his departmental officials whether the DISC program will be of general application to all countries or whether it will be applicable only to those countries which in the opinion of the United States government are subsidizing their exports through tax concessions or other means.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am sorry, Mr. Speaker, I am not absolutely sure. My impression was that it was general.

Mr. Douglas: Mr. Speaker, I assume the minister has discussed this very important matter with the United States authorities and surely he can give us something more definitive.

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of asking a question.

U.S. DISC LEGISLATION—POSSIBLE USE OF COUNTERVAILING DUTIES UNDER GATT

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask first of all whether the minister can give us something more definite and, secondly, whether the minister or his department are studying whether or not under GATT we would be entitled in Canada to use countervailing duties in order to cope with the DISC program, if it is of general application.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, in answer to the first part I said I had assumed it was general. The thought expressed by my hon. friend just now is one which caught me by suprise. Let me repeat, I assumed, and still do, that DISC is universal in application. With regard to our opinion on the DISC program with reference to the GATT philosophy and regulations, we have said from the beginning that the DISC program was not according to GATT.

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[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAMS—SUGGESTED MODIFICATION OF WEEKLY REMUNERATION CEILING

Mr. Henry Latulippe (Compton): Mr. Speaker, my question was for the Minister of Manpower and Immigration but, in his absence, I will direct it to the Prime Minister.

Is he prepared to tell the House whether the government intends to modify again its local initiatives program so that people would earn more money by working than by remaining idle and drawing unemployment insurance?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Unemployment Insurance Act was passed during this session. I do not know whether the member voted against it but we do not intend to modify it.

* * *

[*English*]

TRADE

U.S. DISC LEGISLATION—POSSIBLE USE OF COMPARABLE PROGRAM BY CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Industry, Trade and Commerce whether in the course of discussion of his package of irritants he has determined the attitude of the United States toward Canada adopting a policy comparable to their DISC program. Has the Minister of Industry, Trade and Commerce asked how the United States administration would regard the adoption by

Canada of a program comparable to the DISC program applying to companies exporting from Canada to all other countries? Has the minister sought to ascertain whether this would be regarded as a matter to which the United States would raise objection.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my philosophy on that is very simple. We consider the DISC legislation to be against the principles and regulations of the GATT arrangements. The Minister of Finance on a number of occasions has said that Canada would have to take counter measures. What exactly these counter measures would be will be made known in due course. Whether it would be aiming at DISC specifically or whether we would react to the totality of the economic situation between Canada and the United States caused by President Nixon's measures is something which will be made known in due course.

Mr. Speaker: Order, please. The hon. member for Kent-Essex.

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INDUSTRY

STOL AIRCRAFT—INQUIRY AS TO GOVERNMENT INTENTION TO SUPPORT DEVELOPMENT

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I would like to direct my question to the Minister of Industry, Trade and Commerce. Because of the impact on the employment situation which the development and production of the STOL aircraft may have, has the government made its intention known to the DeHavilland Company concerning whether or not it will extend its support beyond the spring cut-off point.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Support to STOL has been extended. Everybody interested in the Affairs of this Company is well aware the government has in the past, is now, and intends to continue to support the STOL program. It is then a matter of degree.

* * *

AGRICULTURE

PROGRAM TO ASSIST SMALL FARMERS—BASIS OF ALLOCATION OF FUNDS

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Agriculture of which I have given him notice. With regard to the plan the minister announced some days ago concerning assistance to small farms, could the minister say how the amount of money available from the federal treasury will be divided between the provinces or apportioned to provinces and specifically whether the funds available will be enough to replace entirely a related program which is now being carried on under the auspices of the government of Prince Edward Island.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not believe any attempt will be made to allocate money by provinces or by any other geographical areas, because we want the benefits of this program to be essentially applicable on a uniform basis to all people in the same economic position in all parts of Canada. Specifically, with regard to the FRED program in Prince Edward Island, I do not believe we intend to withdraw that program or the facilities that are available there. So, the question of replacing the money does not arise.

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OIL

MACKENZIE VALLEY PIPELINE—INQUIRY AS TO AVAILABILITY OF FEASIBILITY REPORT

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Could the minister tell us when he expects to have the final report on the feasibility of a pipeline down the Mackenzie Valley available to the public particularly since the United States Congress is receiving a similar report on the TAPS pipeline.

• (5:00 p.m.)

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, no definite report is to be prepared. We have made some studies in several fields. We are willing to receive the applications from any group interested in the construction of a pipeline and we shall make a decision according to their proposals.

[*English*]

Mr. Thompson: Are we to take from the minister's answer that there will be no formal report or public statement on the feasibility of that pipeline?

Mr. Stanfield: There is no report and no study.

[*Translation*]

Mr. Chrétien: Mr. Speaker, no doubt the government will make some statements when it has reached a decision.

* * *

[*English*]

AGRICULTURE

DAIRY SUBSIDY PROGRAM—METHOD AND TIME OF PAYMENT

Mr. S. J. Korchinski (Mackenzie): My question is for the Minister of Agriculture. I should like to ask him, with regard to the statement he made yesterday concerning the subsidy which will be available to small producers of butterfat, whether payments will be made automatically to those producers or will an application have to be made by them?

Hon. H. A. Olson (Minister of Agriculture): I cannot answer that question precisely because, of course, we do have the records of those small producers who have continued to ship, and the processors or the dairies have continued to send the records of their deliveries. However,

it may be that it will be necessary for applications to be made, but I would like to reply in more detail to the hon. member in a day or two.

Mr. Korchinski: May I ask the minister how soon he anticipates a decision will be made, and whether he has made an estimate of the amount of money involved.

Mr. Olson: The payments for this year to any small cream shipper reinstated during this dairy year will be made at the end of the dairy year, but they will be made for the whole of the shipments that were delivered since April 1, 1971. I do not have the exact figure of the estimated cost.

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FISHERIES

SELKIRK FISH PLANT—INQUIRY AS TO POSSIBLE CLOSING

Mr. Doug Rowland (Selkirk): My question is for the Minister of Fisheries. I should like to ask him whether or not he is prepared to confirm the announcement made by Mr. Patrick Bertram, manager of the Freshwater Fish Marketing Corporation in Winnipeg, that, contrary to the commitment the minister made in the House a year ago, the Selkirk freshwater fish plant will be closed?

Hon. Jack Davis (Minister of Fisheries): I should like to take the question as notice.

POSSIBLE ASSISTANCE TO MANITOBA FISHERMEN WHOSE LIVELIHOOD THREATENED BY POLLUTION

Mr. Robert Simpson (Churchill): I have a question for the Minister of the Environment and Fisheries. Is the minister in a position to say whether any agreement has been finalized between the federal government and the province of Manitoba in relation to assistance for fishermen whose business has been sadly threatened as a result of pollution?

Hon. Jack Davis (Minister of Environment and Fisheries): No, but substantial funds have been invested in the development of new fisheries to which these fishermen could direct their efforts in the future.

Mr. Simpson: Can the minister say whether the federal government is still negotiating with the province of Manitoba to come up with a program which will assist the fishermen?

Mr. Davis: My department is not. However, the Department of Indian Affairs and Northern Development has been assisting, as has the Department of Regional Economic Development and the Department of Manpower and Immigration.

[*Translation*]

NATIONAL PARKS

ALLEGED ESTABLISHMENT OF NEW PARKS TO CREATE JOBS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development.

Is it true that he is now negotiating with the Quebec government for the development of new national parks and the creation of jobs in Quebec—

Mr. Speaker: Order, please. The hon. member cannot ask a minister to confirm or deny a news. He should ask a direct question. Being granted that the question was so asked, the minister might reply.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we are continuously negotiating with the provinces and I am happy to see that the province of Quebec is interested in the development of federal parks inside its territory.

Mr. Asselin: I should like to direct a supplementary question, Mr. Speaker.

Is it true that the hon. minister is considering the establishment of a national park—

Mr. Speaker: Order, please. I suggest to the hon. member that notwithstanding the procedure, it is not in order to ask the minister whether a national park will be established in one area rather than another. I believe that kind of question should be placed on the order paper or debated on the ajournment motion—

One hon. Member: I should like to direct a supplementary question, Mr. Speaker—

Mr. Speaker: That applies to supplementary questions also.

Mr. Asselin: Ten o'clock, Mr. Speaker.

* * *

[*English*]

THE CANADIAN ECONOMY

FOREIGN INVESTMENT—INQUIRY AS TO GOVERNMENT DECISION—REQUEST FOR IMMEDIATE ANNOUNCEMENT

Mr. David Lewis (York South): I want to address a question to the Prime Minister. I should like to ask him whether the government has reached a final decision and has reached an agreement on a statement with regard to Canada's policy on foreign investment and foreign ownership in this country.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. I would say that this was done many weeks ago. I had indicated to the Conservative party that if their convention had come up with any bright resolutions we might have reconsidered our policy, but we find there is no need to do so.

Mr. Speaker: Order, please.

Mr. Lewis: In view of the fact that the government has definitely reached a decision on this subject, will the Prime Minister stop hiding behind the suggestion that—

Some hon. Members: Oh, oh.

Mr. Speaker: That is not a question, that is a suggestion.

Mr. Lewis: May I rephrase my question, Mr. Speaker?

Mr. Speaker: I suggest to the hon. member that very soon we will be running short of time. If the hon. member has a supplementary question, it should be asked in proper form and as quickly as possible.

Mr. Lewis: I will be glad to ask it in proper form if the Prime Minister will answer in proper form. In view of the fact that months ago the Prime Minister undertook to make an announcement of policy on this issue as soon as the government had made a decision on it, will he now make that announcement in view of the fact that the decision has been reached and not wait for publication of studies which can come after the policy has been announced?

Mr. Speaker: Order, please. I suggest to hon. members that we will be running out of time in a few moments. The Prime Minister might answer the question, but we will have to reduce the number of supplementary questions.

Mr. Trudeau: Mr. Speaker, the Leader of the NDP has made a suggestion. It is one way of proceeding. This government believes that it is important to state the government's policy and at the same time to have available the background documents on which this policy was based, in order that there may be an informed public discussion of it. This is a subject which has provoked a great deal of emotional debate in all parties, and we think that it would be right for the Canadian public to have the facts at the same time as they have the government's policy decision. The hon. member may not agree with that, but that is the government's position.

Some hon. Members: Hear, hear.

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FISHERIES

ATLANTIC SALMON—POSSIBLE AGREEMENT TO CEASE FISHING

Mr. Lloyd R. Crouse (South Shore): I wish to direct my question to the Minister of Fisheries. In view of the fact that the Atlantic salmon is threatened with extinction due to excessive deep sea fishing by foreign nationals, especially the Danes, in Davis Strait, could the minister indicate whether any progress has been made to end this tragic situation through further discussions or agreement among the countries who are signatories to the International Convention for the North Atlantic Fishery and who belong to the Northwest Atlantic Fisheries Commission, to cease deep sea salmon fishing?

Hon. Jack Davis (Minister of Fisheries): Some progress has been made, but certainly not enough and we must continue to press for the complete cessation of high sea fishing for salmon.

STATUS OF AGREEMENT WITH DENMARK—REQUEST FOR TABLING

Mr. John Lundrigan (Gander-Twillingate): Has the Minister of Fisheries or the Department of External Affairs concluded an agreement with Denmark, and would he be prepared to table the results of that agreement in the House?

Hon. Jack Davis (Minister of Fisheries): An agreement for the phasing out of Danish fishermen from the Gulf of St. Lawrence and other Canadian waters and the tagging of our fisheries lines has been under discussion during the past summer. I am not quite sure of the precise status of that agreement. I do not think it has been ratified by Denmark as yet, but it will be tabled very shortly.

Mr. Speaker: Again I have to bring to the attention of hon. members that we will be running short of time. The original question was asked by the hon. member for South Shore. One supplementary question was asked by another hon. member and another hon. member wishes to ask a further supplementary question. Obviously, a number of hon. members will not have the opportunity to ask their questions if we have too many supplementary questions. However, I will recognize the hon. member for St. John's East.

REPORTING OF FISH TAGGED BY CANADA—CO-OPERATION OF DENMARK

Mr. James A. McGrath (St. John's East): I wish to ask my supplementary question because this is a serious matter. I should like to ask the minister whether the Danes are co-operating with Canada in reporting any fish that were tagged in Canadian waters which were caught off Greenland by the Danes?

Mr. Davis: There is some co-operation.

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[*Translation*]

POST OFFICE

INQUIRY AS TO CONTENT OF MINISTERS' LETTER TO CERTAIN PRIVATE POSTAL DELIVERY TRUCKING COMPANIES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to direct a question to the Postmaster General.

I should like to ask him whether he could inform the House of the contents of the letter he sent to several private trucking companies, engaged in mail delivery under contracts with the federal government, and what was the purpose of such a letter? Could he tell us whether he is trying to acquire those private companies so as to make a Crown corporation out of the Post Office Department?

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I did not send any letter to any contractor.

[*English*]

PENITENTIARIES

MILLHAVEN—CONTRACT WITH VILLAGE OF BATH TO SUPPLY WATER

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I wish to direct a question to the Solicitor General of which I have given him notice. Will he please expedite the settlement of the contract between the village of Bath and his department, for supplying water service to Millhaven prison?

Mr. Speaker: Order. I suggest to the hon. member that this is a representation rather than a question, and he can assume that the minister has received the representation. The hon. member for Fundy-Royal.

Mr. Alkenbrack: On a point of order, Mr. Speaker, could I not get a yes or no answer from the minister as this is very important to the municipality?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, a firm offer is being completed and will be made to the authorities of Bath in a few days.

* * *

[*English*]

TRADE

ALLEGED DISCREPANCY BETWEEN CANADA AND UNITED STATES STATISTICS—FIGURES USED IN DISCUSSION OF AUTO PACT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. In light of the statement made by the newly created Canada-U.S. Trade Statistics Committee that they are still trying to resolve a $1 billion Canada-U.S. trade statistics discrepancy for 1970, can the minister inform the House whether talks on the auto pact have been proceeding on an agreement of the trade figures involved?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it is known that there is an important discrepancy between Canadian statistics on trade and American statistics and, as is also known, an effort is being made to reconcile these views. I understand some kind of understanding has been reached on general philosophy and objectives which gives me hope that some degree of reconciliation will take place in the coming months. The present discussions on the automobile pact are taking place on the basis of available statistics. They have their's; we have our's, and this is one reason we do not agree entirely.

U.S. DISC LEGISLATION—POSSIBLE RESPONSE BY BRANCH PLANTS IN CANADA—REQUEST FOR REPORT

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce with reference to the DISC program. Since the chief purpose of that program would seem to be the encouragement of corporations operating outside the United States to shift production to the United States, has the minister met with any officers of the branch plants of American corporations in Canada to see whether they intend to respond to the directives under the DISC program?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have met with some Canadian presidents and directors of international companies. I do not think I am in a position this afternoon to report on what they told me.

Mr. Saltsman: As a supplementary question, Mr. Speaker, in view of the seriousness of the situation and the great interest in the question, can the minister indicate when he will be in a position to report to the House?

Mr. Pepin: Mr. Speaker, I really do not know if I can contact every president of an international company in Canada and ask him to swear on a stack of Bibles that his parent company will not use the DISC program—

Mr. Speaker: Order, please.

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AIR TRANSPORT

CUSTOMS CLEARANCE OF AIRCRAFT LEAVING AIRPORTS NOT SERVED BY OFFICIALS—REQUEST FOR REVIEW OF DEPARTMENTAL POLICY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of Transport. Would the minister advise the House whether he intends to review the policy of his department under which aircraft are allowed to leave Canadian air fields which are not served by customs officials when the aircraft are destined to fly to some field inside the United States without some check as to their contents, or would he explain just how these aircraft get customs clearance before they leave?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, in view of the complexity of that question I am not exactly sure of what specific example the hon. member has in mind. Perhaps I can consult him later.

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AIRPORTS

TORONTO INTERNATIONAL—DECISION ON CONSTRUCTION OF NEW FACILITY

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to ask the Minister of Transport whether, in fact the government has abandoned its plans for a second international airport at Toronto and has reverted to its original intention to extend the Toronto International Airport? If not, when can we expect any decision with respect to the second international airport?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, we certainly have not abandoned any plans for a so-called second international airport in Toronto. As to the date upon which we might be able to say something

further, I think the hon. gentleman knows from previous answers I have given that this is a complex matter on which we are progressing in consultation with the government of Ontario, but neither side is ready to make a statement.

Mr. Alexander: One short supplementary—

Mr. Speaker: Order. I have to bring to the attention of hon. members that we have just about reached the end of the question period. I will try to recognize two or three other members before calling Orders of the Day.

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PENITENTIARIES

DORCHESTER—ALLEGED DENIAL OF VISITING PRIVILEGES OF MEMBERS OF BLACK UNITED FRONT—REQUEST FOR INVESTIGATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my question is for the Solicitor General but since he has just left the chamber I will direct it to his parliamentary secretary. Has the minister or his department investigated allegations that visiting rights were denied to members of the Black United Front but were permitted to white friends of the Black Front who wished to visit inmates of the federal penitentiary at Dorchester last weekend and, if so, with what result?

Mr. Douglas A. Hogarth (Parliamentary Secretary to Solicitor General): Mr. Speaker, I shall take that question as notice.

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AGRICULTURE

FARM CREDIT CORPORATION FORECLOSURES—POSSIBLE ASSISTANCE UNDER SMALL FARMS DEVELOPMENT PROGRAM

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. It arises out of the relatively large number of foreclosures being undertaken by the Farm Credit Corporation in the province of Alberta. Could he advise the House if any assistance will be provided to those individuals who are affected, and face the prospect of being forced off their land, under the provisions of the new development program being undertaken by the Department of Agriculture in co-operation with the provincial departments of agriculture?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we do not envisage any assistance of that nature under the Small Farms Development Program, but I can advise you that there are no foreclosures being proceeded with unless the arrears were outstanding for at least four years, and in many cases these accounts have been in arrears for many more years than that.

Mr. Mazankowski: On a point of order, Mr. Speaker, in order that the minister may not mislead the House I would like to advise that in answers to questions on the order paper the minister has indicated to the House that there are indeed some 85 foreclosures being commenced in the province of Alberta. I would like that to be clearly placed on the record.

Mr. Olson: Mr. Speaker, that does not change the validity of my reply.

Mr. Speaker: Orders of the day.

Mr. Lundrigan: On a point of order, Mr. Speaker, in view of the announcement by the Minister of Fisheries today that an agreement is to be consummated between Denmark and Canada, and in view of the fact that it has not been brought before the Canadian Parliament, I would like you to ask for unanimous consent to return to motions.

Mr. Speaker: Order, please. I suggest to the hon. member that that might be done tomorrow.

Mr. Lundrigan: But, Mr. Speaker—

Mr. Speaker: I will inquire if there is unanimous consent. Is there unanimous consent?

Some hon. Members: No.

Mr. Lundrigan: Mr. Speaker,—

Mr. Speaker: Order. I suggest to the hon. member that that was not a point of order at all. I wish to point out to hon. members that we are getting into a position where, every day when we reach the end of the question period, many members still rise to ask questions. The rules are clear. When the time has expired the Chair has to call orders of the day.

Mr. Lundrigan: On a question of privilege, Mr. Speaker, a few days ago there was an agreement consummated between Norway and Canada which has caused a lot of concern in the Atlantic provinces. At the present time there are negotiations going on between Denmark and Canada, between Spain and Canada, between Portugal and Canada, between France and Canada, and between the United Kingdom and Canada, and all these agreements are being made without any reference to the Parliament of Canada. I feel, and I think many hon. members feel that this is by-passing Parliament and is not giving an opportunity to Canadian parliamentarians to pass judgment. In Norway the agreement had to be ratified by the parliament of that country. I feel that if the Canadian government is going to continue in this way there will have to be a tremendous amount of opposition mounted from this side of the House.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Just before calling orders of the day, perhaps I should bring to the attention of hon. members that the following matters will be discussed at the time of adjournment tonight: the hon. member for Battleford-Kindersley (Mr. Thomson)—Research—farm machinery;

the hon. member for Parkdale (Mr. Haidasz)—Airports; the hon. member for Comox-Alberni (Mr. Barnett)—Shipping—maintenance of service on west coast of Vancouver Island.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Monday, December 13, consideration of the motion of Mr. Benson for the third reading of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act.

• (5:20 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in the few minutes that I had last evening just before ten o'clock, I pointed out that in my contribution to the third reading of Bill C-259 I wanted to concentrate on what I regard as the biggest disappointment in this massive piece of legislation. I refer to the fact that the exemption levels have been raised only to $1,500 a year for a single taxpayer and only to $2,850 a year for a married taxpayer. I also indicated last evening that at the end of my remarks this afternoon I would move an amendment asking the House to vote for the reference back to the Committee of the Whole House of this bill so that consideration might be given to correcting this major disappointment.

I confess, Mr. Speaker, that there are a number of other things about the bill which in my view are wrong and disappointing and I should like to talk about them. I am not yielding to that temptation, however, other than to mention them. I would have liked to talk about the inadequacy of the $150 employment expense deduction made available to workers, and likewise about the inadequacy of the child care cost deduction. I would have liked to make reference to the failure of the Minister of Finance (Mr. Benson) to make effective for the year 1971 all of the improvements that he has made respecting senior citizens. I would have liked to talk of the action being taken with respect to capital gains, particularly the discrimination that exists in this bill between those who earn their income by hard work, whether manual, mental or otherwise and those whose income derives from capital gains. On the one hand, the income is fully taxable but if it is a capital gain it is taxable only to the extent of 50 per cent. I would have liked also to talk about the increase in the dividend tax credit from 20 per cent to 33-1/3 per cent which is another case of discrimination in favour of the "haves" and against the "have nots". I would also have liked to mention our objection to the disappearance of the federal government from the estate tax field. If that were not enough to show why we have to vote against this bill we could have called the hon. member for Duvernay (Mr. Kierans) as a witness and pointed out that this bill completely fails to deal with the basic problem we face in this country, namely that of developing labour intensive industry so that our nation will not be just a hewer of wood and drawer of water.

In other words, there is so much that is wrong with this bill, apart from its complexities and the monstrous size of it, and the way the government is putting it through Parliament, that any of us who believe in tax reform and in a rational and progressive approach to taxation have no option but to vote against it. I have already indicated that I am turning aside the temptation to talk about that list of subjects because I think the biggest disappointment of all is the way in which the Minister of Finance (Mr. Benson) has dealt with the question of exemption levels. I submit that this is of concern to more Canadians than any other phase of the bill. I submit that all the talk about what the government has done for low income people fades into nothing when one realizes that the government is still going to impose taxation on incomes at the low levels prescribed in this bill.

When I was speaking for the four or five minutes I had last evening, I repeated a statement I have made before, a statement that has been made in the course of this debate perhaps dozens of times but which I think has to be modified. Last night I said that the present exemption levels of $1,000 single and $2,000 married were set in 1949, 22 years ago. For the government, after a lapse of 22 years, to raise those exemption levels only to $1,500 single and $2,850 married was both inadequate and an insult to the Canadian people. It is correct that in 1949, 22 years ago, the levels were set at the present figures of $1,000 single and $2,000 married, but I realized after I said that last night that there is a history behind 1949 which one should review and I have done that today. In other words, I have checked my memory by going to the history books, including *Hansard* and the *Journals* and so on. I should like to remind the House that when the exemption levels were set at $1,000 single and $2,000 married in 1949 it was only a case of restoring the levels to those figures from the lower figures that had been put into effect mainly during the years of World War II.

The figures of $1,000 single and $2,000 married were first introduced in the year 1933, 38 years ago. Between 1933 and 1949 those levels were lowered; in fact, they got down as low as $660 single and $1,200 married during the Ilsley days. All that happened in 1949 was that the figures set in 1933 were again put into the act. When we compare the proposed levels of $1,500 and $2,850 with the present levels of $1,000 and $1,500 we make a mistake if all we say is that it has taken 22 years to make this change—it is actually 38 years since the Income Tax Act had exemption levels of $1,000 single and $2,000 married written into it.

I invite hon. members to go back even a little further in history. They will discover that in the late 1920's when the Liberals were in power the rates they set were even higher. In the late 1920s the rates were $1,200 single and $2,400 married. It was in 1933 that Mr. Rhodes, who was the Minister of Finance in the Bennett government, because of the difficulties of the depression, lowered them to $1,000 and $2,000. Take either of these benchmarks that you want, Mr. Speaker, the Conservative $1,000 and $2,000 of 1933 or the Liberal $1,200 and $2,400 of the late 1920s, and I submit that the present Minister of Finance is literally doing nothing—

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): —when he proposes to this House today exemptions of $1,500 single and $2,850 married. The $1,500 exemption is $300 more than the $1,200 in the late 1920s; the $2,850 exemption is $450 more than the $2,400 of the late 1920s. But in that period of time the cost of living has risen between two and three times. The value of the dollar, in terms of purchasing power, is less than half what it was. As for government budgets and the gross national product, we have gone to the moon compared with the situation in those days. I say to the Minister of Finance—

• (5:30 p.m.)

An hon. Member: $5 billion.

Mr. Knowles (Winnipeg North Centre): The hon. member says "$5 billion." I believe the gross national product in 1933 was $3 billion. Today it is more than $90 billion. In the face of that, the genial Minister of Finance, whom one of his colleagues described as having an impish smile, has asked us to think that he is doing something for the low income people, the ordinary working people of Canada, because he now so magnanimously and generously is raising the exemption levels to $1,500 single and $2,850 married. I submit that compared with the increases in the cost of living—

Mr. Benson: How about comparing it with any other country in the world?

Mr. Knowles (Winnipeg North Centre): I am not a member of the Parliament of any other country. I am a member of the Parliament of Canada. I represent Canadian people. I want justice for the Canadian people.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I am glad to see the Minister of Finance applauding that statement. Instead of patting his desk, I wish he would pat the Prime Minister (Mr. Trudeau) where it would encourage him to do something in terms of justice.

We have had to point out that some of the increases given to old age pensioners are really decreases because of the rise in the cost of living. In light of the increase in the cost of living, the increased affluence in the country, the gross national product and the budgets of all our governments, these figures of $1,500 single and $2,850 married are a reduction. It puts the taxpayers of today in a relatively worse position than the taxpayers in the Bennett days of 1933 when $1,000 and $2,000 were applicable, or in the Liberal days of the 1920s when the deductions were $1,200 and $2,400.

Mr. Mahoney: What about the old age pensions of the 1920s?

Mr. Knowles (Winnipeg North Centre): Oh, yes. My friend is indulging in a recital of the things we fought for in the past 40 or 50 years. He knows that in light of today's gross national product and our affluence we have not begun to give our senior people their rightful share of what is being produced today.

Some hon. Members: Hear, hear!

[Mr. Knowles (Winnipeg North Centre).]

Mr. Knowles (Winnipeg North Centre): I welcome the fact that during the course of this debate many members have referred to the 1949 date, 22 years ago, when the last change was made in the exemption levels. However, I invite members on this side and members opposite to consider the bit of history I have given this afternoon, for in fact the comparison that should be made is not with 1949 but with 1933 or, better still, with the late 1920s. It was then that the Liberals were in power. In terms of what was the case then, literally nothing has been done. I will correct that: something has been done—the position of the low paid workers has been made relatively worse.

Don't tell me that other things have improved such as pensions, allowances, and so on. Of course there are things for people who retire today that were not available in the time of my father and my grandfather. Society has moved on. Progress has been made. The whole purpose and aim of a movement such as ours is to see to it that the improvements society makes are shared by the people. We want to ensure that those improvements get back to the people who helped make them possible. This tax bill does not do that.

Hon. members on the Liberal side like to speak about the number of people taken off the tax rolls and the number of people being granted reductions in the taxes they pay. This all sounds good until you look at it in comparative terms. In comparative terms, this government and the genial minister with his impish smile are doing harm to the Canadian people. They are failing to give them what is their right. There is no place in this massive 739-page tax bill—now larger than when it was before the committee of the whole—where this betrayal of the rights of the ordinary people of this country is better demonstrated than in what it has done with regard to the income tax exemption levels. It would have been more honest if the minister had left them where they were.

The exemptions have been raised by a few paltry hundred dollars. The minister is saying to the people of Canada, "look what we have done for you." That is a form of political dishonesty. That is why we are voting against this bill. As a package, it is not good enough. This particular area demonstrates its shortcomings and inadequacies. It is because of our primary concern about the position of the lower income people, as reflected in this talk about the exemption levels, that I am concentrating on this issue this afternoon. It is for that reason I am moving an amendment of which I gave notice last night.

As hon. members are aware, it has been made clear to us that we cannot move an amendment to raise the exemption levels. We have been told that this is a matter of government policy. It has the effect of altering the tax structure and putting the incidence, somewhere else than the government chose to put it. Several times in committee of the whole it was made clear that we cannot do that, but that it is in order for a private member to move for certain rates of taxation to be reduced, provided one makes that reduction general and right across the board. Far from the restriction being a difficult one for us, we welcome it. Rather than raising the exemption levels, which always has the effect of giving a bonanza to those at the top in return for not much more than a banana peel to those at the bottom—

Mr. Hees: That's not bad, Stan.

Mr. Knowles (Winnipeg North Centre): —we prefer the system of tax credits. I may in passing allude to some of the other matters I referred to earlier. I mentioned the matter of giving something to workers for their employment expenses. This would be better covered by a tax credit than a $150 exemption. The same applies to child care expenses, and so on. In the case of income tax, rather than a higher exemption level, which would give a bonanza to those at the top, we would like to see—I hope I am not talking so loudly Your Honour cannot hear what other hon. members are saying. We feel that instead of raising exemption levels it would be better to provide as much as possible by way of tax credits to those in the lower brackets.

• (5:40 p.m.)

As Your Honour is aware, when we were in committee of the whole on clause 1, I moved that certain changes be made in section 117(1). The amendment I moved on November 1 was accepted by the Chair as procedurally in order and it was put to a vote on November 2. Quite a few members were present. The vote was 64 to 42 against my amendment. But one would hope that with the ringing of the bells there would be a larger attendance than that, and since this is such an important issue we are sure that members would like to have their names on record in *Hansard*. That is one reason for my making my motion again at third reading. Do they stand for doing nothing better than in 1933, or in the late twenties, or do they want to take some action which really begins to improve the position of the low income people of this country?

The amendment I propose to move in a moment or two would affect the rate of taxation which applies to the first $500 of taxable income. The tax would be reduced from 17 per cent to 2 per cent. Then something else would be done which is consequential in nature. The result would be that on the first $500 of taxable income the taxpayer would pay only 2 per cent, which is $10, instead of the present $85. This would mean that a single person whose income is $2,000 would pay only $10.

Mr. Langlois: That is terrible. A whole $10! Why not nothing?

Mr. Knowles (Winnipeg North Centre): That is typical of the Liberals. They are charging these people $85. They know that under the rules we cannot move to wipe the charge out altogether. We can only reduce it so they think it is a big joke when we suggest that these people pay only $10. I say that is typical of their attitude toward low income people. They have no sympathies, no heart.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): At the same time, my amendment would reduce the tax paid by those in each of the other brackets, all the way up to the top, by the same amount, that is, by $75. In other words, the saving through my amendment to the millionaire would be precisely the same, $75, as it would be to the person in the first income bracket. That is the way a tax credit works as opposed to the exemption level system. The exemption level system gives more to those at the top and little or nothing to those at the bottom. The same would happen if we used the tax credit system for child care costs, and so on.

My amendment, Mr. Speaker, would thus do two things. On the one hand it would improve the situation of the low income people. It would for all practical purposes put the exemption level at $2,000 for a single person which is the least it ought to be today. The other thing would be to introduce the tax credit system as a means of improving our tax law. The government knows the tax credit system is workable. It does it for those who receive dividends from Canadian corporations. There is no problem there.

I say to the credit of the Minister of Finance—and I have to give him credit once in a while—that in one of the clauses of the bill which is so close to the back that we never got anywhere near it there is a provision saying that in this year, 1971, people whose taxable income is $500 or less will pay no income tax. So he has provided what in effect is a tax credit. If a single person had an income above $1,000 in the year 1971, then by the rules in the book he would be called upon to pay a tax on the first $500 above that level. But the provision in this particular case would wipe out that obligation altogether. So the minister knows it can be done; he knows the technique. In this case he is doing it because it is the only way to solve a problem, and it applies only once, to the year 1971. But the principle is so good, so fair, that it ought to be started on a permanent basis in our income tax law.

This is why I am happy to move my amendment this afternoon. It provides relief to those who need it, to those whose income is slightly over the level the minister has set, and it establishes the principle of dealing with this problem by way of the tax credit system. I hope hon. members will think seriously about it. There was good support for this amendment in committee of the whole on this side of the House on November 2. Surely some Liberals have done a little thinking about this legislation in the weeks that have gone by since November 2. Surely they have read the newspapers, received some mail, chatted among themselves about a just society and that kind of thing. May one hope that as a result of this they can take a different view when a recorded vote is called on the amendment I shall shortly be moving?

I have tried to show that there are many shortcomings in this bill. The total package is extremely disappointing to those of us who believe in tax reform and a progressive system of taxation, leaving us with no choice but to vote against the bill as a whole. This we shall do at 3.45 p.m. this coming Friday under the rule which has been imposed on us today. But if we cannot get all the other changes made, if we cannot secure the massive improvement we would like, I hope the House will seriously consider this one crucial matter.

It is not good enough in 1971 for Liberals to be talking magnanimously about exemption levels of $1,500 and $2,850 when in the late twenties the exemption levels were $1,200 and $2,400. The Minister of Finance had better quit making that speech if he has any capacity for being embarrassed at all. In comparative terms, he has not done anything. I am sorry; I have to correct that statement again. He has done something; he has made things relatively worse for the low income people of this country.

Some hon. Members: Oh!

Mr. Knowles (Winnipeg North Centre): Hon. members over there moan and say "Oh!" If they do not want to pay attention to what I have said, they can go and read history for themselves. The facts I have given this afternoon can be ascertained by anyone who goes to the library and searches through the records. The hon. member for Sarnia (Mr. Cullen) is making an interjection of some kind. I do not get what he is saying but I recognize the timber of his voice.

An hon. Member: And the timber in his head.

Mr. Knowles (Winnipeg North Centre): No, I would not say that. One of the most disappointing things is to hear the minister go around boasting about these changes in exemption levels when in comparative terms he has done nothing.

Mr. Sulatycky: Play the record over again.

Mr. Knowles (Winnipeg North Centre): The hon. member across the way, one of the parliamentary secretaries, wants me to play the record over again. When one scores at all, the true nature of what it is to be a Liberal comes out. He just likes controlling the levers of power. He likes running the show. But as for concern about the ordinary people of this country, he just isn't interested at all.

• (5:50 p.m.)

To give this House the opportunity to vote for a reconsideration of this whole question of taxing incomes in the range of just $500 above $1,500 and just $500 above $2,850, I present the amendment that I read to the House last night. I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands:

That Bill C-259 be not now read a third time, but that it be referred back to the committee of the whole House for the purpose of reconsidering the proposed new section 117(1) as set out in clause 1 on pages 313 and 314, and in particular for the purpose of reconsidering the changing of the figure "17%" in line 33 on page 313 to "2%" and consequentially reducing the amount at the beginning of each of the paragraphs (b) to (m), both inclusive, on page 314, by $75.

The Acting Speaker (Mr. Laniel): Order, please. The advance notice given by the hon. member has given the Chair ample time to examine his motion as to its procedural acceptability. I will put the motion at this time as accepted procedurally. The hon. member for Winnipeg North Centre (Mr. Knowles), seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), moves:

That Bill C-259 be not now read a third time, but that it be referred back to the committee of the whole House for the purpose of reconsidering the proposed new section 117(1) as set out in clause 1 on pages 313 and 314, and in particular for the purpose of reconsidering the changing of the figure "17%" in line 33 on page 313 to "2%" and consequentially reducing the amount at the beginning of each of the paragraphs (b) to (m), both inclusive, on page 314, by $75.

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker—

Mr. Peters: Tell us what you really said at Thunder Bay, John.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Roberts: —the pleasure I have in following the hon. member for Winnipeg North Centre (Mr. Knowles) is somewhat diminished by the recognition that he has once again returned to that pure claim for moral sanctity that so often decorates his addresses to this House. He leaves no stone unturned in his desire to assure us all that only he and his party really care for the poor and distressed of this country.

Mr. Lewis: Now, cut that out.

Mr. Roberts: I wish to assure him that those on this side of the House do not in any way yield to him in our desire to improve conditions in this country.

Mr. Lewis: Do something about it, then.

Mr. Roberts: I had not intended originally to take part in this debate. It had seemed to me that in terms of redundancy and repetition the debate had gone on long enough. If it were considered, as the official opposition contend, that there was not enough time to discuss many more things of importance, then it is surely remarkable that those hon. members have not taken the opportunity during the time they have spent debating the bill in this House to present their own ideas on the bill, rather than continuing with their indecision, their obstruction, their little games of parliamentary procedure, hiding behind the curtains and rushing in with great fanfare, threatening to shred the bill to pieces. These are the actions more of publicity hounds than of parliamentarians trying to present a considered view.

I had not considered it necessary to take part in this debate because, as a member of the committee on finance, I did spend two years considering tax reform. During those two years I had ample opportunity to present my own ideas on where we should go in terms of tax reform. I did so, and the final Commons committee report was very close to what I felt should be presented to this House.

Mr. Hees: You are a very modest fellow, John.

Mr. Roberts: At least I am slightly more modest than the hon. member, whose view is that last year he had one fault—he was modest. This year he is perfect. However, I have some difficulty in taking the hon. member seriously. I am always afraid that, like some aged Rudy Vallee, the hon. member is about to break into a buck and wing across the House.

Mr. Hees: That was a dandy one, John.

Mr. Roberts: As I was saying, Mr. Speaker, I felt that I had had the opportunity of presenting my ideas about tax reform, and my support for the committee report was well known. However, yesterday in this House the Leader of the Opposition (Mr. Stanfield) challenged me, and members who think as I do, to rise and to place their views before the House. I welcome that challenge. The remarks of the Leader of the Opposition yesterday were based upon a report of a speech of mine which he had read in a newspaper, the *Globe and Mail* I believe. I want to thank the Leader of the Opposition for his recognition during the course of his speech that it might very well be the case that the report on which he was basing his remarks was a distorted report. That is in fact the case.

I must say that when I read the newspaper report I too was concerned, for I feared that exactly the kind of misinterpretation that was placed upon my remarks in this House yesterday might be the one that would normally spring from such a report. I was particularly perturbed when I found the hon. member for Fundy-Royal (Mr. Fairweather), a man for whom I have enormous respect, had misinterpreted the remarks I believe I made in Thunder Bay. Had I given cause, in what I had said, for these misconstructions of my thought? As a result of my concern I checked with the organizers of the conference, who assured me that there was indeed much distortion of what I actually said. I do not have a written text of my remarks, but there is a tape which the organizing committee has. I have been told that the remark on tax reform attributed to me was not made. If by some slip of the tongue I did make the remark quoted, then I will certainly correct it in the House.

May I call it six o'clock, Mr. Speaker?

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Roberts: Mr. Speaker, when the debate was adjourned for the dinner recess I had been saying that to the best of my recollection the remark that had been attributed to me was not one that I had made. I made every effort to find out from the organizers of the conference whether I had made such a remark and they assured me that there was great distortion in the report. I regret that, because at the conference this past weekend I made a speech which I thought was extremely interesting.

Some hon. Members: Hear, hear!

Mr. Roberts: And I am dismayed to find that not one of the interesting things I said was reported in the press. I am reassured by knowing that if I had actually launched the vicious attack against the government, as alleged, no doubt other newspapers would have also reported my remarks.

I said this weekend that I thought it was important for us to develop instruments of government, precise instruments for planning, which would enable us to look at government legislation, proposals and programs in light of a coherent economic policy on the basis of how the Canadian economy should look at the end of this decade. I mentioned several areas where I thought this could be done and several elements that might be part of such a policy. I mentioned unemployment policy, productivity policy and resource policy. I mentioned social welfare and its cost. I wanted social costs to be considered and an assessment of them to be a factor in this decision-making process.

I referred hardly at all to tax reform, except to cite it as one example of an instrument which should be used or which should be a means of reaching these objectives. I referred to the hon. member for Waterloo (Mr. Saltsman), my friend even though he belongs to another political party. I described the two years we had spent on the tax committee. I explained that in the deliberations of the committee it was difficult for us to move as effectively and fast as I would like to move without some overriding conception of what our industrial policy should be. I admitted that these were difficulties for the committee.

In my view, these difficulties were overcome. At the end of two years we arrived at a policy on tax reform which I wholly supported. That was in the Commons committee report. It is because the government's proposed tax reform measure embodies so much of the Commons committee report that I am happy to support the government's measure. I admit—as do, I think, all members on this side of the House—that the tax reform proposals are not absolutely, purely and truly perfect.

An hon. Member: I do not think that.

Mr. Roberts: Most of us think that, with the exception of some of my colleagues on this side of the House.

Some hon. Members: Oh, oh!

Mr. Roberts: We have a varied group over here, Mr. Speaker, and we harbour a variety of views of all colours, like a bank of 1,000 flowers. Essentially, the important things which have been done in the government's tax proposals are these: first, there has been a shifting in the basic exemption levels, a raising of the exemptions which shifts the burden of taxation away from those with lower incomes. That I support. Half the capital gains are to be included in the tax base. This is a great improvement. There is also, to my mind, a more equitable treatment of resource industries. If hon. members of the House are interested in following in detail my views on these points, they will do well to refer to the deliberations of the committee.

I admit, Mr. Speaker, that the tax proposals of the government are not perfect. However, the Leader of the Opposition elaborated what seems to me to be an extraordinary doctrine, namely, that if legislation is not absolutely and purely perfect it should not be proceeded with. I think that is the sort of argument he tried to make in his speech yesterday. He suggested that after ten years of discussing tax reform, going back to the original Carter commission discussions, and ten years of opportunity to present views, we have not had enough time. This is a little like that famous historian, Lord Acton, who was so greatly concerned about researching his book that he compiled material which became so voluminous that he could not get around to writing the book.

The Leader of the Opposition seems to say that if we have not gone into everything in every way, if we do not know everything about everything, then we cannot legislate. He calls that research; it is, more properly, delay, hesitation and indecision. He suggested that legislation must be absolutely perfect before it is passed by this House. I ask, is that a sensible principle to follow? Is that a criterion that we could apply, for instance, even in private life? Suppose Henry Ford has said, "I have a great idea for a production line to produce cars but I have not

got it absolutely perfect; therefore, we are not going to produce cars. We will need to do more and more research on this. "Or imagine the president of an underwear company saying, "Should we have buttons or zippers?"

Mr. Ricard: What kind of comparison is that?

Mr. Roberts: "Should we make long legs or short legs?"

Mr. Ricard: That is childish.

Mr. Roberts: "Should we make short arms or long arms?"

Mr. Ricard: Childish, childish.

Mr. Roberts: "We shall need to research and determine whether a market"—

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Order, please. I think the parliamentary secretary should be allowed to make his speech.

An hon. Member: This no speech.

Mr. Roberts: Mr. Speaker, I do not know why—

Mr. Ricard: These are very silly remarks.

Mr. Roberts: Mr. Speaker, I do not know why hon. members should be so exercised about underwear.

Mr. Ricard: The hon. member is talking absolute nonsense, that is why.

Mr. Roberts: "If something itches, they scratches."

• (8:10 p.m.)

You might say the same thing, I suppose, about choosing a wife. You might say that you like a woman very much but that she could be an inch or so taller, or that her nose is too long and that you are not going to get married until you find the 100 per cent perfect wife.

I suggest that we do not act that way in private life or in government. I do not believe the Leader of the Opposition, when he was Premier of Nova Scotia, acted in such a way and would not do something until he was absolutely sure that what he planned to do was 100 per cent perfect. Maybe that is how he did operate and that may explain the difficulties the province was in when he left.

The Leader of the Opposition seems to adopt the principle that the best is the enemy of the good. I suggest there is another approach to this legislation, and that is that we should be sure it is better than what we have at the present time. This I think we can be sure of. After ten years of debate and discussion, the tax proposals the government has brought in, even if not 100 per cent perfect are certainly an enormous improvement over the system we have at the present time. There is the old Chinese proverb that the longest journey starts with a single step. We still have a journey to go in respect of tax reform, but the measures of this government are an enormous and giant step forward and should be supported.

There is only one other argument the Leader of the Opposition advanced. He repeatedly stated that no member of the House understands this legislation. I do not believe that is true. I think there are members, at least on this side of the House, who understand it. The temptation is to say that the Leader of the Opposition, in saying that no one understands it, is speaking only for himself. But I ask, for just a moment's reflection, how does the Leader of the Opposition know that no one understands it? Has he carried on a survey, or has he cross-examined members on this side of the House? How has he arrived at the certainty that no one on this side understands the legislation?

I suggest that a rational explanation of his statement is that it is speculation on his part which really springs from political expediency. He believes it would be popular to say that, knowing that he has not researched that statement, and therefore he says it and keeps on repeating it. Even if it were true that no one in this House understands all the complexities of this legislation, I suggest that is not the relevant consideration. Because I suggest that the bulk of hon. members on this side of the House certainly understand the legislation as it applies to the interests of their constituents. In those areas of tax reform which are of vital concern to the people they represent, I suggest members have informed themselves of the implications of the government's proposals and that therefore collectively the House has a very good view of the collective importance of these measures.

Mr. Speaker, I do not want to say a great deal more about the remarks of the Leader of the Opposition. I was frankly puzzled that with his mellifluous oratory he had attacked on the basis of a few words of mine which were misconstrued in a newspaper report.

Mr. McGrath: You put your foot in it, and you know it.

Mr. Roberts: I had not really accepted the view expressed by many of my colleagues that the opposition was obstructing this legislation. I thought it was sheer, normal dithering on their part. But after looking at the comments of the Leader of the Opposition I have come to the conclusion that there is another explanation for their failure to present much in the way of a view on tax reform, with the exception of two areas where I confess they have expressed views of some importance to the House. I refer to co-operatives and the basic herd.

The official opposition has a paucity of views on tax reform. Unlike the New Democratic Party, the official opposition abstained from expressing any views on tax reform at the end of the Commons committee stage. The NDP presented its views on tax reform. I salute the NDP for what it did. I do not agree with the details of their suggestions or their approach, but at least they had the gumption to say where they stand on tax reform. The official opposition does not even have that gumption. I suspect this stems from the fact that they do not know where they stand on tax reform.

Sure, they are for the easy things. They are all in favour of tax cuts and the things everybody is in favour of. They are in favour of motherhood. But they are not prepared to come to grips with the question of where we are going to find the tax revenue to pay for these things. They are prepared to give things away but they do not say where we are to get the money to pay for them. They do not have a clear view of where they want to go. That is the real tragedy of this debate and of this situation. It is not that a

limitation of time has been imposed or that we have had a long and tedious debate. The real tragedy is the abdication of responsibility on the part of the official opposition to give a clear indication of where it stands in respect of tax reform.

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, in his speech the member who spoke before me did the best he could to apologize to the House for what he said in Thunder Bay, Ontario, yesterday; in any event, his assertion was false. Obviously, Mr. Speaker, we have to take his word for it in view of the Standing Orders of this House. But when newspapers report that he said such and such, and when we can check his comments by listening to tapes, I say that, in reciting his *mea culpa* tonight, in trying to convince his party colleagues not to be afraid, and claiming that it was not what he said, he merely wants to reingratiate himself with his leader, the right hon. Prime Minister (Mr. Trudeau). I admire that hon. member very much, but in trying to build an argument by humiliating the leader of the official opposition (Mr. Stanfield) who has loyally tried to fight against a bill which in his mind is not acceptable to the Canadian people, I say the hon. member has shown unforgivable weakness.

• (8:20 p.m.)

[*English*]

Mr. Roberts: Mr. Speaker, I rise on a question of privilege. I do not believe that in my remarks I referred to the insincerity of the Leader of the Opposition. If I did do that in inadvertence, I certainly withdraw it.

Mr. Nesbitt: It was not in inadvertence.

[*Translation*]

Mr. Asselin: Mr. Speaker, I take note of the hon. member's apologies that will be transmitted to the leader of the official opposition in proper time and place.

Mr. Speaker, I rise to speak tonight to give my wholehearted support to the honest and loyal fight our party led against the bill now before us. Government members do not seem to be aware that when the opposition makes suggestions to the House or criticizes a legislative measure, it does so because it represents 50 per cent of the Canadian population.

Contrary to what the previous speaker said, the opposition, particularly the official opposition, feels it has accomplished its duty. It took its responsibilities, particularly in a difficult fight, at a time when we had to be concerned with the overall economic activity of Canadians.

I would like to thank the leader of the official opposition who did not hesitate to step forward and lead the charge against the white paper introduced by the Minister of Finance. He has not worked in vain because the Minister of Finance (Mr. Benson), immediately after meeting with Canadian businessmen to explain to them the whole impact of the bill before us, agreed that some provisions had to be withdrawn and some suggestions and advice given by the leader of the opposition could be accepted.

Mr. Speaker, I know it is not easy to administer the federal Department of Finance.

In fact, when the Prime Minister appoints an hon. member as Minister of Finance he is more or less sending him to the stake. While opposition members sometimes speak harsh words to the Minister of Finance, these are primarily addressed to the government, which has called upon him to bring forward the bill we are now considering.

We are entitled to make suggestions. And when the hon. member who spoke before me said our party has no fiscal policy he should just peruse *Hansard* and read there all the amendments and suggestions we submitted during the debate in an effort to improve the legislation the Minister of Finance has introduced in the House.

Mr. Joseph-Philippe Guay (Saint-Boniface): That's a good one.

Mr. Asselin: Mr. Chairman, the hon. member for St. Boniface often makes comments. I hold him in high esteem because he is a French-Canadian from the West, but we would like him to rise when he speaks. Let him make a good speech and we will listen to him. If he makes sense, we shall applaud him.

Mr. Chairman, I readily admit that the majority in this House has the right to govern and may go as far as applying Standing Order 75C in order to force a bill through. But I object to the manner in which the government has applied that Standing Order if 200 clauses of the bill and 100 amendments moved by the government are set aside, if we do not have time to look fully into them, and the government merely says: Since the bill must come into force on January 1st, we must apply Standing Order 75C, bring out the steam-roller and try to muzzle the opposition.

Mr. Speaker, such is the government's responsibility. The people will decide whether it was logical for the government to ask the opposition to adopt this bill when 200 sections have not been studied in committee of the whole nor have the 100 amendments that the government wanted to propose. The people will have to judge the actions of the government when they are called upon to express their views on its policies.

Why this haste, Mr. Speaker, to put the Act into force on January 1? Does the Minister of Finance need money in a hurry? Is he following the orders of his officials who have given him this deadline of January 1? At any rate I cannot accept that the Minister of Finance should go to the other place and tell the senators: We shall send you the bill, study it quickly and have faith in me; we shall bring in amendments later.

This means that the legislative proposal of the Minister of Finance is not perfect, and that is why we were asking the government to give us more time to study it.

• (8:30 p.m.)

Mr. Speaker, the Leader of the Official Opposition rightly denounced yesterday some aspects of the bill stating that the government was creating a tax jungle. It is so true, as I said a moment ago, that the Minister of Finance will be unable, as I will be myself, to file his own income tax return next year, this tax maze being full of inconsistencies and interpretation problems.

Yesterday, the hon. member for Ontario (Mr. Cafik) said that he had asked the Minister of Finance to draw up interpretation clauses in the bill. It is a fine suggestion, Mr. Speaker. Even the government members do not understand the bill, since they ask the minister to draw up interpretation clauses so that the bill may be understood more easily, not only by hon. members but also by all the people.

Mr. Speaker, the great losers, with the passage of this bill, are the provinces. It is not only the opposition which has been gagged by the application of Standing Order 75C, but also the provinces which came here for the federal-provincial conference asking the Minister of Finance to postpone the implementation of this bill. This postponement was meant to try and reconcile the provincial tax structures with the federal ones which are now being put to us. This was a very legitimate request aimed at coordinating the priorities of the provinces and the requirements of the federal government in the field of taxation. There again, the Minister of Finance said no to the provinces. This bill had to be implemented by the 1st of January.

Mr. Speaker, above all one should consider the harmful consequences this bill will have for the middle classes. One should also consider the disastrous effects this bill will have on small businesses. We know that the rate of assessment will be raised considerably for the small businessmen and the small tradesmen; we know also that the benefits of the small businessmen and the small tradesmen are reinvested in order to create more jobs. However this new kind of taxation means plain death for the small businessmen and the small tradesmen. Heaven knows—and my colleagues from Quebec may confirm it—the small businessmen and the small tradesmen represent a power in Quebec. If a bill takes away even more money from them the tradesmen will not be able to use it to develop, to improve their enterprise and to create additional ones.

Mr. Speaker, I must say that this party, which is the official opposition party, will support the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles). And I think that by moving this amendment, the hon. member is working towards a lowering of the poverty line.

Mr. Speaker, I would like to refer to the description of poverty given in the Senate report on poverty, which says:

> The over-all poverty rate is approximately 25 per cent; one Canadian in four is a member of a family unit whose income is below the poverty line.
>
> Over half of all low-income families live in either Quebec or Ontario.
>
> Nearly two thirds, or 63 per cent, of low-income family heads are members of the labour force. More than a quarter (27 per cent) of all low-income family heads are 65 years of age or older.

Mr. Speaker, I believe a Quebec member should rise in his place and speak in the House in order to protect low-income Canadians, especially those in his province, since according to statistics, French Canadians are the poorest people in Quebec. In the Montreal area, French Canadians draw the smallest salaries. They come just before the Italians; all others are better paid than them. The amendment moved tonight tends to ease the burden of the average wage-earner. All Quebec members should support that amendment that tends to help the average people in Quebec which still live in extreme poverty.

Mr. Speaker, we must give those have-not people hope for a better life. But where do we find such hope in this bill? Some may say that a million Canadian people will not pay taxes anymore, that exemptions will be $1,500 for single persons and $2,850 for married people! This is a farce, Mr. Speaker! How can one expect single persons or married people with extremely low incomes to survive? They do not live, they merely exist. The middle-income people are overtaxed. All my colleagues from Quebec know that. Let us look at the salaries paid in the Quebec plants. The workers are often given a five-inch long cheque, but once deductions are made there is but an inch and a half left.

Mr. Albert Béchard (Parliamentary Secretary to the Minister of Justice): What does the difference go?

Mr. Asselin: It is being used to pay the taxes of the Minister of Finance.

Mr. Speaker, a wage-earner with four children, who earns between $5,000 and $6,000 a year cannot possibly live decently, considering especially that the cost of living has steadily increased over the last two or three years. As for the average plant worker, his tax is withheld, so there is no possible loophole for him.

Corporations and other public agencies can find loopholes. Indeed, chartered accountants and tax lawyers have informed us that they have already spotted about one hundred loopholes which will enable large corporations to pay less in taxes.

Mr. Speaker, I do not suggest that this whole bill is worthless. I am more realistic than that. But I suggest that the government has, in many areas, taken back what he has given. Do you need instances of that? Here they are: Unemployment insurance benefits have been raised, but the recipients will have to pay tax thereon.

Grants are given for retraining, but they will be subject to taxation.

Scholarships are granted to postgraduate students, but even these will be taxed at a certain level.

Our party has never stopped to fight for the farmers and yet, this bill does not spare them. We have had to wage a desperate battle in order that co-operatives and credit unions could keep the vested interest of which they had been deprived by the minister.

Mr. Speaker, the amendment moved by the hon. member for Winnipeg North Centre is to the effect that the rate applicable to the first $500 of taxable income be reduced from 17 to 2 per cent and it proposes a reduction of $75 at all levels.

• (8:40 p.m.)

For once, Mr. Speaker, I agree with a socialist member of this House. The hon. member for Winnipeg North Centre said that 22 years ago he had spoken on an amendment similar to the one he moved tonight. The initiative he showed tonight is a true attempt to reduce the heavy tax burden, as he said a while ago, of the middle class citizen who cannot pay any more taxes.

If an average wage-earner gets between $5,000 and $6,000 a year and spends $80 to feed his family, without mentioning the cost of clothes and leisure, municipal and school taxes, he cannot pay more taxes.

I fail to see why this House should not vote in favour of the amendment now before us.

Mr. Speaker, as I said a while ago, we have supported this amendment at the committee stage and we will support it on third reading because I think the present exemption system is already outdated. It would be better to try and establish a credit system which would give more justice to the Canadians who still want to work.

Those were roughly the objectives mentioned in the Senate report on poverty. I would like to read again for the information of my colleagues the beginning of the chapter where they define the part that should be played by the government in its fight against poverty.

"Fight against poverty" was a very nice slogan when the government under the Rt. Hon. Mr. Pearson put it forward during the 1963 election campaign. Everybody was happy. People said, at least we are going to have a government that will fight poverty. And we are still waiting for the beneficial effects of that fight against poverty.

And after that they have burked the fight against poverty by saying that once they are in power they will set up a just society in Canada.

Surely this bill will not bring about this just society promised by the Prime Minister of Canada (Mr. Trudeau).

And for the information of my colleagues opposite who still do not know what kind of action the government should undertake to control poverty, I will quote an extract from the report of the Special Senate Committee on Poverty in Canada:

> Economic growth has had little effect on the nature and dimensions of poverty in Canada. Our failure to achieve full employment and our acceptance of policy choices which increase unemployment contribute directly to the spread and perpetuation of poverty. While the economic system, by itself, can never eliminate poverty, a healthy and expanding economy provides the environment essential to a comprehensive attack on poverty.

These are the objectives any responsible government should have in mind when it undertakes to fight poverty.

Therefore, I wish our friends opposite would give up politicking for the time being. Of course, I admit that party discipline is important. I have met with the same situation when I was a minister of the Crown and this is the reason whenever I am given the opportunity to speak on our current parliamentary system I contend that it needs to be amended so that hon. members may vote as often as possible according to their own conscience and not necessarily to support their party.

Mr. Colin D. Gibson (Hamilton-Wentworth): Are you looking forward to a republic?

Mr. Asselin: What did you say?

Mr. Gibson: I asked a very honest question.

Mr. Asselin: Is that for you a republic?

Mr. Speaker, I therefore say that we should study this amendment very carefully. I should ask honourable members especially those from Quebec who are still sincere and who wish to help the middle class, to vote in favour of the amendment now before the House.

Mr. Speaker, I regret that the minister of Finance is not here tonight, because I should have liked, in closing, to wish him . . .

An hon. Member: He is here.

Mr. Asselin: My eyes deceive me. Where is he? In closing, may I express the hope that the minister of Finance, when he is called upon to share the tranquillity of the Senate—which is not going to be the case soon for his parliamentary secretary, who is now nodding in the affirmative—and is free from political worries, will regret having fathered this tax monster, which, in my opinion, in many respects will never serve the interests of the Canadian people.

[*English*]

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, we appear to be in the closing stages of a very long and detailed debate. It may be said that Parliament and the people of Canada have talked about tax reform for almost ten years, certainly officially. The conversations, the meetings, the discussions and dialogues began in earnest on August 27, 1962, when the right hon. member for Prince Albert (Mr. Diefenbaker) announced with great personal pride the appointment of a hand-picked Royal Commission on Taxation. To the thunder of Conservative approval, he said on that occasion:

> I am pleased that Mr. Carter has agreed to undertake this most important and onerous task, possessing as he does a unique knowledge of the Canadian tax structure.

The Conservatives, Mr. Speaker, were delighted with this appointment.

Mr. Lambert (Edmonton West): How do you know? You were not here.

Mr. Perrault: They said, together with the other parties in the House of Commons, that we badly required tax reform and a greater degree of equity in the tax structure. The need, we were told, was beyond dispute. Since then, no subject has been considered so exhaustively and in such minute detail as has been the future form of taxation in this country. Following the Carter report came the white paper in 1969. We all recall those days.

An hon. Member: Yes, a nightmare.

Mr. Perrault: When the white paper was published, instead of investing time in the House of Commons advancing counter proposals and ideas in this proper forum, the leader of Her Majesty's Official Opposition mounted his white charger, like Mr. Clean, and went from coast to coast. What did he say? He raced across the country saying, "The government is planning to ram the contents of the white paper through Parliament and I warn you, my friends, my fellow Canadians, that the government should not be believed when the Minister of Finance says repeatedly that there will be changes." He said this despite the fact that when the white paper was brought to the floor of the House of Commons one of the first comments of the minister was, "I invite proposals and suggestions even from the other side of the House

because we want a sound system of taxation in this country".

But there continued the distortion of the intent and purpose of this government. A coast to coast gallop spread confusion wherever he went saying, "I will defend this country against what they are trying to ram through". Suddenly, the scenario was changed because the Minister of Finance, true to his words, invited submissions from every part of the land. The government received 211 submissions along with 1,093 other representations and innumerable letters from members of the government and a few from the opposition as well. The committee held 146 meetings, the committee reported, recommended changes and amendments were proposed and many accepted. Then there has been more debate on the resultant bill before us.

Despite this unparallelled democratic process, charges are made of muzzling free speech in some of the badly-informed editorials in the newspapers and by the shrill voice of dissent from the other side of the House. These accusations are simply preposterous. Some of the opposition members are men of real ability who must be embarrassed to have to give voice to such charges on the advice of some of the public relations men of the Conservative party.

Mr. Lambert (Edmonton West): We heard this nonsense in the pipeline debate.

Mr. Perrault: They know that at some point governments must govern and at some point debates must be brought to a conclusion. Mr. Speaker, this is what I mean—and I am not going to quote from speeches made by former or present members of this government or great Liberals of the past; I am going to quote the spokesmen for the official opposition. The hon. Davie Fulton, who was a distinguished Minister of Justice in this House for many years, appeared at the Couchiching Conference in 1964 representing the Conservative Party, and he said:

> But no matter what mathematical disposition has been arrived at by the voters, Parliament has the duty to get on with the business of the country; and the government has the right and responsibility to govern, so long as it enjoys the confidence of Parliament, or at any rate unless and until Parliament accepts the responsibility of defeating it—

He went on to say:

> Having been provided first with an improved system of transacting the business of the House and the country, and second with the means and the opportunity to do their jobs more effectively, members can then accept as the framework within which to operate the disciplines and self-restraints inherent in the following—

• (8:50 p.m.)

I again emphasize that it was the official spokesman for the official opposition who said:

> An important restraint which members should impose upon themselves is to accept as a matter of routine an "allocation of time" system as it operates in the United Kingdom Parliament, by which representatives of each party meet in advance to decide how many days will be spent on each major matter of government legislation. In the unusual circumstance where it is not possible to obtain agreement, the government itself takes responsibility for—and there is a note upon—a motion for allocation of time on the matter in question.

The right hon. member for Prince Albert, speaking in this House on July 21, 1960, as recorded at page 6672 of *Hansard*, said:

> I see no reason why that debate should not be reduced so far as the number of days is concerned. Immediately, I suggest that the opposition will say that they are being throttled.

That was said by the former leader of the Conservative party. In a great speech, he went on to say:

> I am not taking the United Kingdom Parliament as an example for our Parliament, but it is the mother of Parliaments, and I am going to refer to some of the things which could be done. I think there is no reason why that debate should not be reduced so far as the number of days is concerned.

Mr. Nesbitt: I rise on a point of order, Mr. Speaker. I am extremely sorry to interrupt the hon. member. It is my impression we are discussing third reading of the tax bill and are not engaged in debate on the closure motion moved this afternoon. It is not relevant.

Mr. Speaker: Order, please. I think that an effort must be made by hon. members to make speeches which from near and far refer to the amendment before the House. I appreciate the point made by the hon. member for Oxford (Mr. Nesbitt). He is quite right; what we are debating now is third reading of this bill. I must say that having listened to the debate on third reading I have a suspicion that a number of members on both sides of the House have strayed from time to time from either the amendment before the House or the general principle of the bill.

I agree with the hon. member that an effort should be made by hon. members not to revive the debate which took place during the two hours which preceded the vote on the motion under Standing Order 75C. There is no point in further discussing this issue. We should make an effort to concentrate on the bill which is before us on third reading and, more particularly, the amendments which are before us from time to time.

Mr. Perrault: With Your Honour's indulgence, may I point out to the House that last night the House leader of the official opposition spoke purportedly on third reading, but he spoke entirely on the subject of closure.

Some hon. Members: Hear, hear!

Mr. Perrault: Earlier in this debate there were frequent references to closure and the alleged attempt of this government to restrict free discussion.

Some hon. Members: Order.

Mr. Perrault: I am not willing to remain silent when these kinds of charges are bandied about as is being done frequently in this debate.

Some hon. Members: Hear, hear!

Mr. Perrault: I suggest, Mr. Speaker,—

Mr. Speaker: Order, please. The hon. member for Hamilton West (Mr. Alexander) is rising on a point of order.

Mr. Alexander: I rise on a point of order, Mr. Speaker. I certainly do not mean to interrupt the hon. member. I want to be exact with my submissions. It is my understanding that the hon. member for Winnipeg North Centre (Mr. Knowles) has a motion before the House. Listening to members opposite, I am surprised that it has not been touched on at all this evening. With due respect to all hon.

members, I would remind them that the motion we are supposed to be debating at this time reads as follows. I may be quoting it imprecisely because I am referring to the motion as it was read last night.

That Bill C-259 be not now read a third time, but that it be referred back to the committee of the whole House for the purpose of reconsidering the proposed new section 117(1) as set out in clause 1 on pages 313 and 314, and in particular for the purpose of reconsidering the changing of the figure "17%" in line 33 on page 313 to "2%" and consequentially reducing the amount at the beginning of each of the paragraphs (b) to (m), both inclusive, on page 314, by $75.

That is the motion.

Some hon. Members: En français.

Mr. Alexander: I hear some hon. members saying, "En français." I remind hon. members that this is a bilingual country. If I choose to speak in English, I think that should be accepted without remarks from the other side.

Mr. Speaker: I agree with the hon. member in principle, but yesterday when we commenced debate on third reading of this bill an amendment was moved. It had to do with farming problems. Some speeches made after that amendment was moved made very few references, if any, to the amendment. It may be that hon. members who at that time took part in the debate on third reading should have tried to limit themselves to the amendment before the House. I repeat that that is a rule of the House. Debate should be relevant.

It is difficult for the Chair to ask hon. members to respect this rule when some of the senior members on both sides of the House do not necessarily do what they should and follow this rule in practice. I invite hon. members to bear this in mind and to get to the point and refer to the amendment which is before us. It may be that the remarks being made by the hon. member for Burnaby-Seymour (Mr. Perrault) are merely introductory and he will eventually reach the gist of his speech. I hope this point will be reached very soon.

Mr. Lambert (Edmonton West): Let's talk about tax credits.

Mr. Perrault: If I did not know the hon. member for Hamilton West (Mr. Alexander) better, I would say he is terrified of parliamentary democracy. He talks about freedom of speech. I know him better than ever to accuse him of that.

Mr. Alexander: Explain.

Mr. Perrault: I am talking directly about this motion to refer the bill back to committee. I do not think it should be referred back.

Some hon. Members: Hear, hear!

Mr. Perrault: I am citing specific instances where great Conservatives of the past have spoken out in support of the efforts of the government to expedite the passage of legislation in this House. If words of their former leaders terrify them, there is little hope for them.

Mr. Nesbitt: Louder and funnier.

Mr. Perrault: In a reference essentially to the business of referring back, Churchill said on November 29, 1944:

Do not suppose that you can strengthen parliament by wearying it, and in keeping it in almost continuous session. If you want to reduce the power of parliament, let it sit every day in the year, one-fifth part filled, and then you will find it will be the laughing stock of the nation,—

These quotations suggest that this proposal to refer back is unsound. I remind the distinguished member from Winnipeg North Centre (Mr. Knowles) who advanced this resolution of his words in 1964 when, in a moment of great candour, he said:

Parliamentarians start with a notion that freedom of speech somehow means freedom to talk forever. Cutting off debate is felt to be a denial of a basic, democratic right. But the fact is that we do this in many ways in Parliament. The forty minute limit or the thirty minute limit or the twenty minute rule that we have are denials of unlimited free speech.

In the same address he said:

The amount of business is increasing so much that I think, that we have to think more in terms of getting things done, and I think that this can be done without interfering with freedom of speech.

Mr. Knowles (Winnipeg North Centre): I said it again this afternoon.

Mr. Perrault: I hope members will consider these remarks to be relevant to the present resolution.

Mr. Knowles (Winnipeg North Centre): Where were you this afternoon? I said it then.

Mr. Perrault: I hope members will admit there is relevancy here. There is a special quality of fantasy about the charges levelled by the opposition. The attempts of the opposition are like a sailboat in a becalmed sea desperately seeking any breeze which they hope may carry them to the haven of government.

Mr. Nesbitt: There is a lot of wind over there.

Mr. Perrault: What is the name of the game? The opposition sees a political opportunity in the issue of tax reform. Some of their members are abroad in the land spreading confusion and misunderstanding everywhere. In the House their efforts to bring forth the kind of amendments which would make this even sounder legislation have been sporadic, disconnected and halfhearted. How else can one explain the failure of the opposition to provide viable alternative proposals?

• (9:00 p.m.)

The resolution which is under debate is a small one designed to harry and delay. It does not go to the basic substance of this tax reform measure. Is it because some members of the opposition are seeking political support from those who want no reform at all, from those who cling to the status quo, those who say, "Change anything as long as it does not affect us"?

Together with other members of the finance committee I spent most of the summer of 1970 listening to representations from dozens of interests across this land. Some of them were along the lines of the amendment before us. Many of them were excellent. Many of them are reflected in the tax reform bill. To listen to the hundreds who brought forward their ideas was to be convinced that

there is simply no consensus as to what constitutes an equitable system of taxation. I might say that the Minister of Finance (Mr. Benson) encouraged the finance committee to obtain the very best expert advice from all parts of the country with respect to the area covered by this resolution as well as others. It was not long before we realized that there were profound differences of opinion among these experts as to what might best be done.

It may be said without contradiction that taxation is such a complex and controversial subject that even to achieve absolute agreement among members of any one party in this House would be utterly impossible. All parties profess to urge tax reform but there is not even agreement among government members, or members of the NDP, members of the Conservative party or of the Créditistes as to what might constitute the soundest system.

The violent statements of the official opposition today are in total variance with the posture of that party in 1962 when the Carter commission was conceived by them. In those years they rushed around the country claiming they would introduce major changes in the Canadian tax law. But what a difference a decade makes. Today they deny any paternity of the infant they fathered in 1962. They disown any connection with it. The words "Carter commission" are X-rated by every Tory Primrose Club in Canada today.

These are the concerns some of us feel today; the rabid tax reformers of 1962 now want only tax reductions accompanied by no other discernible or definable changes. They do not want anything at all which might cause any section of the electorate to be unhappy or dismayed. They want all the tax reductions, but they are content to leave to the never-never land of the future the possibility that provincial and federal governments may require revenue. They want more debate, preferably so much debate that it will extend beyond the next election. They want to refer this measure back for months and months of renewed discussion, though we have been waiting more than long enough for constructive counter proposals to those which have been advanced.

I recall the classic reply of the Leader of the Opposition (Mr. Stanfield) when he was asked for alternative ideas. He said; "That is not our job. It is up to you to provide ideas." Mr. Speaker, in 1971 a responsible opposition demands something more than an attitude of that kind.

Some hon. Members: Hear, hear!

Mr. Perrault: The fact of the matter is that should we accept this resolution or other mere ploys advanced by the opposition, we could debate this measure for another month or another year and not come any closer to agreement. After months of study, discussion and deliberation, after months of hearing witnesses, the opposition party which today urges delay, when faced with the moment of truth in the finance committee—and I was there—when the question was for or against, adopted a position of neutrality. Not yes or no, but a position of "dynamic" abstention. Yet the Leader of the Opposition and other members of his party almost took credit for the Commons report when it was produced. They claimed a victory over the government. On February 18 the Leader of the Opposition said:

The committee adopted 80 per cent of the criticisms I had been making. There are still defects in the House of Commons report but the concern now, of course, is how much of that report the government will accept.

An immense amount was accepted from that report. In June, the leader of the Conservative party said he and his supporters accepted those changes and in association with others accepted a considerable portion of the credit for having brought forward suggestions which brought about those changes. It is incredible, the tortuous twisting and the contradictions engaged in by the Leader of the Opposition.

The government and the minister are now being attacked on the ground that too many amendments have been made because, apparently, too many ideas contained in the Commons report have been accepted. They say the bill is incomprehensible. If they had spent more time examining the measure and less in galloping across the country on their alleged political crusade, they might have arrived at a better comprehension of what it contains. Imagine the screams of outrage which would have arisen from opposition benches if the government had announced that it had taken an inflexible position and intended to proceed without considering reasonable proposals for change. The message is clear. The tactic is: Play for time. Suggest nothing which would indicate a desire for serious tax reform. Hit the hustings and attempt to destroy confidence in Parliament and in the Prime Minister.

In a noon attack on the government in Vancouver on Monday, November 15, the hon. member for Yukon (Mr. Nielsen)—in passing I note that a McMaster University report says he has one of the worst attendance records in this House—

An hon. Member: What about the Prime Minister (Mr. Trudeau)?

Mr. Perrault: —told his audience about alleged efforts to impose new rules on the House of Commons. This tactic is part of the political game which is being played in Canada today. I quote from his speech as sent down by his office:

> What then is there left to protect the supremacy of Parliament against this one-man despotism? The effectiveness of the opposition has been drastically weakened by a series of rules changes, again deliberately brought about by the leader of a government motivated by a lust for power.

Surely a party which aspires to govern this country should be at least capable of being candid and truthful with the people. One of the first measures taken by the Prime Minister (Mr. Trudeau) when he took office was to provide—

Mr. Speaker: Order. It seems to me that the hon. member is getting further and further away, if possible, from the amendment before us. I am prepared to recognize that the rule of relevancy has not been followed too closely during this debate either on second reading, in committee or since we began third reading.

One hon. member has drawn attention to the fact that yesterday and today we heard speeches which really had nothing at all to do with the amendment before the House. I suggest that an effort should be made by all hon. members to relate the speeches they make to the amendment

before us. I am not sure that those who succeed the hon. member will remember what I am saying now and will limit their contributions in the way suggested, but it seems to me that the hon. member for Burnaby-Seymour (Mr. Perrault) is not referring to the bill itself even in a general way. He should direct his remarks to the bill at least, and preferably to the amendment before us.

• (9:10 p.m.)

Mr. Perrault: The point I was attempting to make—perhaps inadequately—was that the charge has been made here that there has not been freedom of speech in this House to discuss this measure adequately. May I simply say that as hon. members know the rules changes were the result of consultation with the other parties. Almost all of them were agreed to by the other parties in the House. I will leave it at that. I simply do not think it enhances the reputation of the House to make the kind of charge which has been made by the hon. member for Yukon (Mr. Nielsen).

We are told that if we do not refer the bill back, our action will be tantamount to closure. Are arguments advanced in this vein to be taken seriously? If the official opposition had been successful in negotiating with the other parties in this House a sensible allocation of time, there would be no need for the government unilaterally to have to accept its responsibility to schedule time for this debate. When the opposition members parade around the country telling terror stories about alleged political repression, let them also tell Canadians that the rules changes almost without exception were adopted by all members of this House after years of procrastination.

On the subject of referring the bill back, the argument is advanced that we need more time for discussion and debate. We have talked about this subject for years in this House. There have been oceans of political bafflegab about the need for rule changes, the need to schedule time, the need to end the alleged legislative paralysis. Let opposition members tell the people of Canada about the actions of this government and the present Prime Minister to bring Canadian parliamentary rules more in line with the needs of the country and with the rules of enlightened parliamentary democracies in other parts of the world. Let them explain how they are spending the $200,000 granted to the opposition parties by the government to do the proper research so that parliamentary democracy can blossom. For years while in opposition the right hon. gentleman for Prince Albert had been saying that the opposition needed this kind of research money, but it took this government that is now accused of dictatorship to introduce the necessary legislation.

Mr. MacInnis: A point of order, Mr. Speaker.

Mr. Deputy Speaker: Order. The hon. member is rising on a point of order.

Mr. MacInnis: I rise on a point of order. My point of order refers to the ruling made by Mr. Speaker just prior to his leaving the chair, at which time he drew the hon. member's attention to the fact that he was not discussing the matter now before the House. The hon. member's reference to the attendance of members on this side of the House was made without reference to the hon. member from Edmonton on his side of the House. He has also referred to the $200,000 spent by the Leader of the Opposition, but failed to mention the more than $1 million spent by the Prime Minister's office. If such points are covered in the legislation before us, then the Chair is in for a rough ride if we all follow the hon. member's example.

Mr. Deputy Speaker: Order. The hon. member has drawn to the Chair's attention that the parliamentary secretary was perhaps ranging a little outside the scope of the amendment now before the House. I would invite the hon. member to confine his remarks to the motion, as amended, now before the House.

Mr. Perrault: Mr. Speaker, I suggest that there must be validity in some of the remarks I am making this evening to cause so much unhappiness on the other side of the House. When the House leader of the official opposition was totally irrelevant last night there was not one single demand on this side that he return to a precise discussion of the bill on third reading. The attitude toward democracy exhibited by the official opposition is an interesting one.

As we come to a vote on this important measure it seems to me that the main enemy perhaps is not the confusion that is alleged by our opponents but, after ten years of speculation and conjecture, the real enemy may be uncertainty. I receive more and more letters from people all over the country saying, "Whatever you are going to do, please do it". This climate of uncertainty is the real enemy. Business can live with certainty but not with uncertainty. The professions and the working people of this country can live with certainty but not with uncertainty. The hon. member's amendment would simply add to the uncertainty already existing in Canada.

Together with many other members of this House, I welcome the announcement of the Minister of Finance that further improvements are under consideration. Any good amendment, regardless of source, should be given consideration. Whether amendments originate from this or from the other side of the House—as hopefully they will—they should be given the same consideration.

Mr. Knowles (Winnipeg North Centre): There is one before the House now.

Mr. Perrault: One which is being considered and is found to be wanting. If this new tax measure suggests undue and unfair hardship for any section of this nation—and no tax measure in the world ever goes through any Parliament or legislature without amendment; interestingly enough, members of the opposition have cited no examples of uncomplicated tax changes from Great Britain, the United States or Europe where tax legislation is just as complicated—then let us act as soon as we can to introduce the appropriate changes. As I say, no tax bill has ever proceeded without change, often extensive change, and opposition critics are aware of this fact. Even the existing tax legislation has been changed year after year. The regulations have been changed. The opposition knows this, yet attempts to create the illusion that unless the government brings in a tax reform package which requires no change or amendment, it is deficient. Indeed, it is the sign of good tax policy and tax philosophy when a

government is flexible and willing to change and to adapt its legislation to the needs of the people.

Surely, our goal in Canada must be social equity, but it must also be a system of taxation that will encourage the economic development of this country. And just as surely, no member can, in conscience, vote against provisions such as the following: personal exemptions that are raised to $1,500 from $1,000 for single persons, and to $2,850 from $2,000 for married persons—indeed, we hope they will be even further raised; we are not saying those levels are the ultimate—child care expenses that are deductible up to $500 per child under 14, with a maximum of $2,000 per family; an employment expense deduction of 3 per cent of employment income, up to $150 a year, with no receipts needed; all taxpayers with married exemption and income solely from wages and salaries will pay less tax than at present; taxpayers with single exemption and employment income only will pay less tax on incomes under $8,000 and above this level the tax increase will not exceed $78 a year; all taxpayers age 65 and over will receive a special exemption of $650; the guaranteed income supplement will be exempt from tax; moving expenses will be deductible for taxpayers changing jobs; employer-paid living expenses for jobs at distant work sites will be made tax free to more taxpayers.

In addition to this, the limit on deductible donations to charities will be increased to 20 per cent of income, from 10 per cent. The standard deduction for medical expenses and charitable donations remains at $100. And the list goes on and on, Mr. Speaker. Surely the mover of this amendment is not suggesting that we should refer back a measure which will confer these and other benefits on such a wide section of the Canadian population. The bill does not represent perfection. The Minister of Finance has already said that certain changes are inevitable and has indicated areas where changes may be expected. Surely the members of this House can exhibit more courage, after ten years of discussion and dialogue, than to seriously entertain the proposal now before the House.

Many of us disagreed with certain of the proposals set forth in the original white paper; certainly I disagreed with many of them. Several of these problem areas are, however, problems no longer because of amendments that have been made.

Let us hope that Canadian tax reform is not going to be confined solely to the federal jurisdiction. As one who has served in a provincial legislature, I assure all hon. members that changes are required urgently as well, at other levels. After all, it is the people who pay the taxes and we must at all levels try to move this money around as equitably as possible. Therefore, let us hope that other reforms will be forthcoming in other jurisdictions.

• (9:20 p.m.)

One group in society that the present bill assists, at least in part, is the senior citizens. These older people in society are the first and tragic victims of rising costs and rising taxes. I have yet to hear any adequate defence of the present method of financing education. Senior citizens who earned their living when a dollar bought a dollar's worth of goods, older people who raised and educated their families, now must pay a totally unreasonable education tax if they wish to retain ownership of their small homes. That applies in almost every province of this land.

An hon. Member: But not in Ontario.

Mr. Perrault: At least we can express the hope that while we should aim for a more equitable tax system at the federal level, at the provincial and municipal levels there will be a fairer distribution of some of the inequitable burdens involving social welfare and educational costs especially. Our continuing philosophy as Canadians should be one which seeks the best system of taxation and a fair system—indeed, a system of taxation at all levels which, hopefully, will become a model for the world.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am happy to speak to the motion of the hon. member for Winnipeg North Centre (Mr. Knowles).

Throughout the debate on Bill C-259, we, Créditistes, did not say much, although we had much to say. We realized it seemed almost useless to move amendments or to criticize the bill. We knew it was useless to try to have those amendments passed, because the government has the majority and had decided to go ahead against any and all valid suggestions.

And so, the government introduced Bill C-259, which is an extremely complex bill. I would say, right at the outset, that this so-called tax reform is anything but a reform, and that it it will probably lead to economic chaos the like of which we have never known.

Our economic system is in pretty bad shape at the present time and the enactment of Bill C-259 will make it harder because the citizens will be increasingly dispossessed.

Mr. Guay (St. Boniface): Mr. Speaker—

Mr. Deputy Speaker: Order. The hon. member for St. Boniface is rising on a point of order.

Mr. Guay (St. Boniface): Mr. Speaker, I am rising on a point of order.

I would like to ask the hon. member for Compton, following his comments, whether he is willing to make some suggestions. He has just mentioned that they would not be considered. I would like to ask him to make some so that we may consider them.

[*English*]

Mr. McGrath: Mr. Speaker, that is not a point of order. The hon. member is interrupting debate, and that should not be permitted. Let the hon. member resume his seat. We are accustomed to his interruptions.

Mr. Deputy Speaker: Order, please.

Mr. McGrath: Sit in your seat, Joe.

Mr. Deputy Speaker: The hon. member for St. Boniface (Mr. Guay) has the right to raise a point of order. The Chair has the responsibility to decide whether it is a point of order. The hon. member for Compton (Mr. Latulippe).

Mr. Ricard: On a point of order, Mr. Speaker, would you rule on the point of order that the hon. member raised? Was it in order, or was it not?

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I implied that it was not a point of order. I also said that if the hon. member had a point of order, I would so indicate. The Chair felt the hon. member had not raised a point of order and recognized the hon. member for Compton.

Mr. McGrath: All he does is interrupt people.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I know that many government members are annoyed with me, but I take my responsibilities and say what I believe to be the truth. I will make my whole speech accordingly.

I said earlier that the present system is still worse than the previous one. The taxes will drain the people dry and the number of welfare recipients will go up. The taxpayers have had their fill and they will be increasingly burdened and deprived, and the gap between the rich and the poor will be further widened.

We are strenuously object to this attitude, and we want to reassert that a lasting fiscal review should alleviate the entire tax burden. The greatest problem now is an already unduly high tax rate. This system has been subject to steady pressures during the past decades, because an excessive growth of public expenditures had to be checked.

In 1952, the expenditures of all governments amounted to 26 per cent of the gross national product. This percentage has increased steadily and public expenditures now account for 40 per cent of the gross national product. Should this trend persist, all the benefits of tax reform will disappear because there will be further tax increases, like the capital gains tax. We cannot stress sufficiently the need for a program of expenditures as well as for tax reform.

Nothing was considered with regard to an expenditure program which would allow Canadians to know where they are going. No, taxes are imposed. The intention is to tax capital gains, when, to a large extent, it is capital itself that will be taxed.

• (9:30 p.m.)

So, even if the tax system most efficiently creates and maintains equality between people, families and companies that make up the population of Canada and participate in its economic life either in production, consumption or capitalization, we have to realize that it is not in a mess of 707 pages of legal texts and over 2,400 codified paragraphs that we shall succeed in straightening out the affairs of the state. It is as if we were looking for a needle in a haystack.

Still I want to congratulate our courageous Finance Minister (Mr. Benson) who is beginning to show signs of weariness after so many preliminary pieces of work.

In the last ten years, even the Canadian Chamber of Commerce complained about the indecipherable complication of a great number of often contradictory details of the income tax legislation.

Mr. Speaker, even though I sit on the opposition side and belong to a political party whose name is Social Credit, I very definitely consider all legislation from the center of today's world and the economic life of 1971-72 in Canada as it is now, haphazardly led by a Liberal majority government. With a realistic awareness of the situation of Canadians, strictly from an economic viewpoint, I should like to see much more effective and manageable and also more practical economic reforms and adjustments emerge from our parliamentary work.

When I think of the famous Carter report all 2,600 pages of it, when I think of the royal commission of inquiry on taxation reform that cost us more than $3.6 million, when I think of the many briefs submitted by most of our large groups of learned people, experts, economists, capitalists, trustees, financiers, manufacturers, national and international bankers, when I think of this voluminous undecipherable paper stack accumulated by joint committees on this matter, when I think of the "condensed" form of the famous White paper which has been under numerous attacks and purges imposed by the bureaucracy of governments or pressure groups or intermediaries, when I think that we still have to go through 707 pages of a new bill, page by page, paragraph by paragraph, I feel that this legislation will finally be passed much more out of exhaustion than ability and satisfaction from all participants and responsible people at all levels.

Mr. Speaker, the Committee on finance, trade and economic affairs received more than 3,000 briefs among which there were some from Ontario and the Canadian Chamber of Commerce, truly outstanding briefs which were hardly taken into account in the drafting of this bill. And when all the briefs had been considered, the Committee of Finance, Trade and Economic Affairs produced its report which the government almost totally rejected, subsequently appointing an independent, highly-paid board to prepare another report, coming up with the notorious 707-page bill now before us.

Why go to so much trouble for such poor results? I don't believe we are that stupid. We all feel confined in the hermetic frame-work of old tax, economic and political structures. We long to change things to meet the needs of the people. Yet we want to retain them in order to satisfy the producers who benefit by the established structures which obviously can only increase the widening gap between the rich becoming richer and the poor becoming poorer. All the evil comes about because of the pretence of changing things to please the people, while allowing the same structures to go on having the same effects, in order to please the known or unknown people who control the established system.

I am not suggesting that we change the established system. No, that would just make things worse. Under present circumstances, it is not the system which needs changing. It has at least one merit, which is to preserve with strength and continuity the unbalanced planning which we are accustomed to. This is the good side of a strategic bourgeois pragmatism. Well planned imbalance is still better than complete chaos, civil war, revolution, and the destruction of those things in the system which are still good, positive, constructive, and profitable.

It is not the system of a planned imbalance which we must destroy. This system guides planning towards a national equilibrium between all citizens, all families and all companies which make up the whole economic life of Canada. This is one of the answers.

The conservative members have found some wonderful answers. They have made nice speeches, but I might say that nobody has really put forward other solutions than those proposed by the government. All this cannot happen by itself. Tax reform can and must play a formidable part, provided only that at the high administrative and departmental levels they redirect the economic planning of our nation to meet the needs of the consumers and to remunerate at the same time equitably and fully the labour and the capital of Canadian producers.

Instead of increasing taxes that would have been another of the possible solutions to put forward. It is certainly possible to find other practical solutions to administer the country and to balance the budget.

In trying to balance the economy by this ominous bill, we will take away from Canadians the main purchasing power they need as we increase taxes and impose taxes on capital. We will deprive many Canadian taxpayers of the necessities of life, and we should consider that, Mr. Speaker.

• (9:40 p.m.)

Those are the guidelines put as simply as possible.

Mr. Speaker, the general idea behind the economic direction should be reviewed in a completely different context from the monetary, economic and political mechanism. Until we grapple with those economic, political and monetary elements, the situation will never change. The present system can only bring more serious economic imbalance, more dissatisfaction among the population and an increase in the number of poor people.

All those facts are practically ignored or at least inadequately taken account of by those responsible for the economy both at the management and legislative levels.

I will not try to meet the set requirements. There is rejoicing about the success of banks, large financial, industrial, business and agricultural companies as well as large public, business, agricultural and semi-public corporations or public utilities such as hydros, railways, television, radio, etc. This perfect mixture of private enterprise and government enterprise leaves the population in complete confusion with no sign of hope for a solution simply because all those responsible for management are university graduates who are well known and conditioned to continue the requirements set in a system that is more than 40 years old.

So it is nobody's fault. Everybody abides by the law, even and above all presidents and directors of the largest banks and companies. If we talk to them about exclusive privileges that are granted to them by the government, either through administrative practices or in the form of reserves or tax exemptions, they answer bluntly, what would you do in our place? We are simply taking advantage of the laws passed by government. We are very anxious to obey existing laws. Who would find fault with that?

Mr. Speaker, we know that existing laws protect high finance and enable many high officials and large institutions of the land to pay almost no taxes because they can avail themselves of special legislation and special taxes; they are authorized to build up all sorts of reserves and are quite happy with the present system.

[Mr. Latulippe.]

The orders are well obeyed by university graduates who impose their will on governments and who subsequently administer banks and corporations according to the law.

Mr. Speaker, nobody is responsible for the present inflation, unemployment, poverty or economic imbalance. All this uneasiness results from protracted subservience to economic doctrines which were useful 40 years ago, and which still accommodate the scientists, the wealthy and the powerful masters of the established system, but are of no benefit to the people.

Bill C-259 does not take into account those economic facts.

We try to promote production and capitalization while comsumption is jeopardized for over 60 per cent of our population. We try to retrain workers and even technicians, once again to promote production, whereas consumption is ailing.

Mr. Speaker, I wish to say to the cabinet members and to the chairmen of our powerful banks and corporations that nothing is lost. Everything is in good working order and will work even better as soon as production, consumption and capitalization will be balanced at the individual, family and social levels. Many members forget this.

Since 1960, several royal commissions, several task forces made up of experts, several Senate or House committees, several White Papers, many official reports of the Economic Council of Canada, all prepared by the highest economic authorities in Canada, with the help of experts of foreign countries, have set forth all the aspects of the economic life in Canada, in particular the alleged causes of inflation, unemployment and poverty.

Inflation, unemployment and poverty are three distinct results of the same economic ill that can be called the national economic imbalance. And the more we shall implement Bill C-259, the more we shall experience that great imbalance which will unfortunately lead our people to adopt impractical solutions.

Why can't all those experts meeting together find the causes of the economic imbalance, propose solutions that would restore the economic balance? Why can't they agree on a single point?

The reason is a very simple one. All learned men, all experts, all economists, all directors of great institutions follow the same instructions laid down by the great universities of Europe or the United States, by university professors throughout the national or provincial universities, in all countries of the third world.

To all proposals that go against that universal general order, legislators have but one clear and precise answer, always the same, expressed in different ways, which may be summed up thus: After all, once in power, people must act according to what they learned at university.

Our legislators remain faithful to the economic dogmas of the past, dogmas that have been successful in their day but that are no longer applicable in the current situation which is different. Pragmatic people are no longer the fashion and they only perpetuate and protect the old dogmas, the old doctrines which are not adapted to modern times.

Instead of giving one's confidence to pragmatic people, we need thinkers who can keep pace with the realities of an economic world forever progressing. Production is carried out with modern methods, but distribution is done with old-fashioned ones, when it should be carried out in a modern way.

The greater the production, the lesser the consumption. The greater the capitalization, the lesser the distribution. And that is another problem that all citizens and all hon. members should take into consideration.

In the search for profit, for capital, for power, for domination, one forgets that it is for man that one produces, that it is man that must benefit from production and even from capitalization.

• (9:50 p.m.)

Powerful and manageable systems and organizations as well as monetary, economic and political machinery were set up. They produced $90 billion in 1971 which could fulfil everyone's needs while guaranteeing sufficient capital and all necessary investments. But they prefer to bury useless and cumbersome billions of dollars which create inflation and should be used as a purchasing power for people without any income so that every family may enjoy a decent standard of living and all citizens wishing to contribute to the national production may find work.

Without reducing any of the personal income, salary, interests, capital or dividends of those companies listed on the stock market, we could draw from hidden reserves which are neither declared nor taxed on consumption in order to insure a right to live for dependent citizens without work or capital in each and every home in Canada.

If we wanted to open our eyes, we could lower the cost of living, and allow Canadians to increase their income as our national production would rise. Today, our national production goes up and the income of most Canadians goes down. Our total corporate interests are showing a mere $6 billion of taxable profits as assigned to dividends and undistributed benefits—according to their public reports—but they manage to build up huge depreciation reserves and capital funds, to some extent with the blessing of our governments, the total of which might reach $24 billion for 1971.

Those tangible, inconspicuous or secret reserves, concealed in obscure annual reports by the people, not even by chartered accountants and experts, can be used to guarantee the security of the social national capital.

Why not put more emphasis on the vital human right of the family? Why could we not respect the rights and prerogatives of the human being? Why are we unable to resolve the unemployment problem which is getting worse every day? As a matter of fact, as we increase taxes of all kinds, more unemployment is being created, more citizens are dispossessed, destitute, discouraged for they can no longer cope with our present economic system which should enable them to enjoy a social life, a respectable life in a country bursting with wealth which we are not even able to distribute. There is no poverty in this country, there is undistributed riches. Since we live in an affluent society, let us organize the distribution of wealth. Therefore, this bill should contain the principle of distribution of this wealth to secure an income, a stable economy for everyone.

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, I wish to add a few words to the debate on the amendment which the hon. member for Winnipeg North Centre (Mr. Knowles) proposed to the tax reform bill. In a few days this bill will become the law of the country, with all the benefits it will bring to many taxpayers through reduced taxes. One of the sidelights of this debate has been the fact that the rule respecting time allocation has been invoked. This principle—

Mr. Alexander: Closure, you mean.

Mr. Foster: The hon. member for Hamilton West (Mr. Alexander) keeps using the wrong word. He has not thoroughly read the rule book or he would know that the phrase is "time allocation." This principle was adopted in July 1969, but has not been used until now. That is regrettable because, I believe, like many of the younger members who came here first in 1968, we should be moving toward handling the work of the House in a more orderly fashion. It seems to me that unless we find a system to do this using rules 75A, 75B or 75C or some other parliamentary device, we will continue to waste a lot of time and this House will rapidly become more irrelevant.

Members are in the House for much of the year, 10 or 11 months, and spend a shorter and shorter period of time in their ridings, taking weekend flying trips which most of us have learned to live with over the last few years. If we could adopt a system of programming our work, we might be able to spend one week in every eight in our constituencies. If we were to do this, we could better reflect the wishes of our constituents.

I compliment the three or four members of the official opposition who are in the chamber tonight. They are here at great personal sacrifice. The position of the opposition parties on this bill has been most interesting. The Leader of the Opposition (Mr. Stanfield) would like to split the bill, taking all the goodies now, all the tax cuts which are proposed, and leaving all the other parts of the bill to be implemented at a later date. But he has never specified exactly when. That must be one of the most unworkable proposals ever made. It is like the man who says, "Well, I'll take my pay cheque but I won't bother paying any of my bills." The administrative complications of this proposal would make the tax jungle of the 1930s look like a formal garden by comparison.

The Leader of the Opposition says that he does not understand the tax bill. We will go along with that. We are inclined to agree that he does not understand it. After all, Mr. Speaker, he could not remember when he got a copy of the bill. He thought it came in just a couple of days before Parliament opened on September 7, when in fact the bill was distributed to every member of the House on July 12.

Mr. MacInnis: On a point of order, Mr. Speaker, I rise not only to question the hon. member's ability to count but to remind him that the tax bill now before the House was delivered from the Queen's Printer only within the last week. Therefore, his assessment as to when this bill

became available is wrong. Further, he might pay attention to what was said by the Minister of Finance (Mr. Benson) to the effect that this bill is not yet complete. With the bribery that is going on in the other place and the legislation that will be brought forward in the new year, he doesn't know what he is talking about.

PROCEEDINGS ON ADJOURNMENT MOTION

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

RESEARCH—FARM MACHINERY—ASSISTANCE TO PRAIRIE PROVINCES IN ESTABLISHING TESTING CENTRE

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, a short while ago I raised a question with the Minister of State for Science and Technology (Mr. Gillespie) asking if he would use his influence with the Minister of Agriculture (Mr. Olson) to carry out some research and development with respect to farm machinery. He replied that he would look into the matter. Since I wanted to make sure that he would, I arranged to debate the matter on the "late show."

The Barber report suggests several things, but I shall begin by quoting something that is fact in this regard:

> The commission was also asked to examine "the present and prospective competitive position of the Canadian agricultural machinery industry in Canadian and export markets" and to recommend "measures that could contribute to the expansion of efficient production of agricultural machinery." At the present time the Canadian share of farm machinery manufacturing in North America, about 7 to 8 per cent, is well below Canada's proportion of the region's farm machinery sales, around 12 per cent.

It is my basic contention that something should be done about that problem. To use the words of the Barber report at page 11—

• (10:00 p.m.)

> The basic proposal being made is for a comparatively small (compared to such a body as the National Research Council) but highly expert research and evaluation unit controlled by a semi-independent governing board. The unit would have its own program of research designed to improve farm machinery. In addition it would be responsible for a greatly expanded program of research grants to Canadian universities. This would ensure a continuing flow of farm machinery technology suited to the needs of Canadian farms.

Then on page 12 we find this passage:

> Thus the expanded program of research into farm machinery technology recommended above should give a valuable stimulus to the growth of farm machinery production in Canada. Small independent firms will benefit from the flow of new ideas generated by this research and from the availability of a larger number of qualified agricultural engineers in government research stations and at universities. The larger firms would be encouraged to locate more of their own research in Canada because of the much more favourable milieu that had been created for farm machinery research. And this should lead, in time, to an expansion in their manufacturing output in Canada.

Mr. Speaker, the argument has been that the innovative process has been carried out frequently by small manufacturing firms. The reason I suggest an approach of this nature is that often these people cannot afford the cost entailed. I should like to read from the report again, page 147, as follows:

> The company that fails to improve its products at frequent intervals may find its marker share declining sharply . . .
>
> Changes in market share have often been very large within a few years. While not conclusive, these changes strongly support the view that product improvement is an extremely important competitive factor in the industry.

In his report, Professor Barber puts forward arguments in support of his point of view, and since that time he has also done this in Saskatchewan. The prairie governments are presently looking at such a testing agency. My suggestion to the Minister of State for Science and Technology is that he should also look at this testing agency in view of Professor Barber's comments and recommendations on this problem. We should consider, too, that this royal commission was an agency of the Liberal government, which must have been concerned or it would not have spent the money.

If a testing unit is not the best thing, then I suggest it is up to the present government and the minister, and perhaps also to the Minister of Agriculture, to suggest something better. I contacted a company in regard to a testing agency and they said that depending on the circumstances they could probably use such an agency in testing their machinery.

I am not suggesting that this should be a heavy-handed, bureaucratic type of organization which would say no to everything that a modern, innovated company might offer in the way of new ideas for manufacturing farm machinery. I do suggest that if such an agency is established it should be bright, imaginative, innovative and have a modern approach to developing a better farm machinery industry in Canada.

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, let me say by way of introduction how pleased I am to be able to respond to the bright and innovative hon. member for Battleford-Kindersley (Mr. Thomson) who has impressed me over the years with his interest in research and development. He has played an active part before the estimates committee on more than one occasion. I can remember some perceptive questioning to the National Research Council and it may have been, as well, to the Science Council of Canada.

I am very much aware of his interest in research and development matters. I am also very much aware of his interest in agricultural matters. It is therefore no great surprise to me that he should couple his interest in research and development with that in agriculture and, in particular, the Barber commission report. I listened very carefully to his statements and references to pages 11 and 12 of the report and to page 147 in respect of development. I share many, if not all, of those sentiments.

In answering the specific question of whether the Minister of State for Science and Technology might recommend to the provincial premiers, either individually or collectively, some form of government assistance to a research or test facility, I have to report to him, as did the Parliamentary Secretary to the Minister of Agriculture (Mr. Lessard) on an earlier occasion, that we have not yet received any request from the provincial premiers,

individually or collectively, or through any agency that they might designate with respect to the question. On October 26, 1971, as recorded in *Hansard*, the parliamentary secretary said:

> As to the question raised concerning assistance from the federal government, I must say that up to now we have received no requests from provincial governments concerning present programs.

That is the same information that I have obtained as a result of my recent research on this question. Should the provincial premiers, again individually or collectively, or some agency of theirs make a request to us in this connection, we would be very pleased to give it consideration.

AIRPORTS—COMPLETION OF NEW TERMINAL AT TORONTO INTERNATIONAL—DECISION ON SITE OF NEW FACILITY

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, on December 3 I raised the question of the much needed additional facilities at Toronto International Airport. The air travelling public, I am sure, welcomed the minister's reply that extra workers have been hired on the job and that the pace of construction will be increased so that the second terminal in Toronto will be ready for use in April and fully completed by next June. However, we are still awaiting the long overdue announcement of the federal government's decision on the site of a second airport for Toronto and the neighbouring region. We understand and commend the federal government's efforts to consult the Ontario government, but we cannot condone unnecessary delay and indecision with respect to a second airport to serve the greater Toronto metropolitan area.

Tonight I ask the Minister of Transport (Mr. Jamieson), through his parliamentary secretary who is in the House, to tell us who or what is causing this intolerable indecision. I am not exaggerating when I say that today Toronto needs better facilities for international air traffic. This means a federal airports' policy which also takes into account the needs and interests of the people of greater Toronto and their neighbours.

I would strongly emphasize that increased international landing rights in Toronto for certain airlines is an urgent matter. The present policy of restricting landing rights in Toronto to only a few international airlines not only causes inconvenience and loss of precious time to many travellers but also additional expense due to extra landings and transfers. Furthermore, many international travellers from the cosmopolitan Toronto area must now transfer at New York due to lack of landing rights at Toronto. In view of these factors I urge the federal government to grant international landing rights in Toronto for such airlines as Alitalia, Lufthansa, SAS, KLM, LOT, Czecho-Slovak and other airlines whose passengers wish to fly into or out of Toronto.

• (10:10 p.m.)

To accommodate the extra flights, facilities at the present Toronto airport must be further improved and a second airport to accommodate future traffic must be built without further delay. Statistics available from the Board of Trade of metropolitan Toronto show that in recent years Toronto airport has recorded between 30 per cent and 40 per cent more domestic and international passengers arriving and departing on scheduled flights than Montreal International Airport and that the gap between the two has been widening. I therefore urge that the Minister of Transport satisfy the needs of the travelling public and contribute to the growth of Canadian tourism and trade by extending landing rights for certain international airline carriers in a spirit of understanding and good will.

In conclusion, I think the parliamentary secretary should tell us tonight when an announcement will be made about the site and plans for a second airport to serve the Toronto area. Who, or what, is delaying this announcement, and why has it not been decided to extend landing rights at Toronto to meet the requests and satisfy the needs of those of the public who travel by air?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wish to reply briefly to the questions raised by the hon. member for Parkdale (Mr. Haidasz). I realize how important these matters are to him and to members from southern Ontario. The subjects of the location of the new international airport for Toronto and region and the construction schedule of terminal II at Malton have been raised on numerous occasions in the House. On the first item, hon. members are aware of the ongoing discussions between the Minister of Transport (Mr. Jamieson) and his officials and his counterpart in Ontario and provincial representatives. The matter is a complex one, but progress is being made.

With respect to terminal II, work will now proceed at an accelerated rate. The minister informed the hon. member as to the new contractual arrangements that have been entered into with the contractor. This will have the effect of not only ensuring that the schedule will be met on time but that more workers will be hired during the winter months. The Minister of Transport informed the hon. member from Don Valley (Mr. Kaplan) on November 10 that the first module is expected to be completed by April 30, and the remaining two by June 30.

The hon. member for Parkdale also mentioned a number of items tonight which I shall be pleased to bring to the minister's attention.

SHIPPING—MAINTENANCE OF SERVICE ON WEST COAST OF VANCOUVER ISLAND

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, since I first learned of the decision to withdraw subsidies to coastal shipping services on the west coast of Vancouver Island, effective December 31, I have been pressing the matter with the Minister of Transport (Mr. Jamieson) and the Canadian Transport Commission. I did not consider an answer given to me by the Minister of Transport on November 30 a satisfactory one so I put the question down as an item for the adjournment debate.

On December 8 I again raised this matter in a question to the minister and received from him the reply that the Canadian Transport Commission had agreed to an extension of the subsidies to the two shipping firms involved for a period of six months from the December 31 deadline. For this answer I wish to thank the minister and, through him, the Canadian Transport Commission. This

extension at least gives a breathing spell to the people involved who were facing the prospect of imminent withdrawal of the only practicable means of having essential supplies delivered to their communities. Hopefully, it also means there will be an opportunity for rational public discussion of the whole complex question of transportation for people and goods to and from the communities scattered along Vancouver Island's rugged west coast.

There are, I feel, certain facts related to what I can only term as this near disaster which should be brought out at this point. First of all, I want to make it clear that existing transportation by any and all of the means now available is unsatisfactory, or costly, or both. Second, in-camera communications between the federal government, the provincial government and those engaged in the transportation business about something which so vitally affects the lives and the future of so many citizens is simply not good enough. On matters of this kind, people simply should not be left in the dark. Nor should it be left so the people's elected representative hears about it more or less accidentally at the eleventh hour.

At this point I am not seeking to lay the blame on any particular quarter. I recognize that the water transport committee of the CTC has not the kind of statutory mandate to require public notice and to order public hearings, as has the railway transport committee in connection with proposed changes in railway services. I have argued this point many times on the floor of this House; I have introduced amending bills, but to no avail. The people on the Pacific coast dependent on water transport have continued to be left at the mercy of what operating firms conceive to be an economic opportunity for themselves, or to the good graces of what the water transport committee or the provincial authorities decided in private were necessary subsidies.

The third point I would like to make is that constitutionally, under the British North America Act, the federal responsibility is for transportation which is interprovincial. Transportation which is entirely within a province is a provincial government responsibility. This does not, however, gainsay the fact that historically, for reasons many of which may now be lost in the mist of time, the federal government has accepted a responsibility for support of transportation services, particularly with reference to shipping services which are intraprovincial. This is certainly true with respect to the west coast of Vancouver Island where continuous support of this kind has been provided going back beyond the memory of most people now living; certainly back to the days of the good ship *Maquinna* whose name is still a byword among old-timers on the west coast. Abrupt withdrawal of such support without any public notice is, in my view, unjustifiable.

The fourth point I would like to make to try to keep the record straight is that the proposal of the federal authorities, which was to have taken effect on December 31 and which I understand was made known to the government of the province about a year ago, provided for an increase in the total amount which the federal government would commit to the support of water transportation on the British Columbia coast, with the proviso that it was all to be concentrated on improving and expanding the services to the northern coast and the Queen Charlotte Islands. This, of course, is cold comfort to the people on Vancouver Island who, as matters stood on December 8, were being left completely stranded with neither federal nor provincial governments prepared to accept any responsibility.

I am happy that in the face of this situation the minister and the Canadian Transport Commission were prepared to listen to the cold, hard facts which I and some of my constituents presented to them without any histrionics or shouting and agreed to a six months' reprieve. This to me is an example of a sensible argument being sensibly listened to. The results would indicate that in this case at least it was more effective than wild and irresponsible shouting.

If the minister of municipal affairs for British Columbia was correctly quoted in the press as saying, "There will be no operating federal subsidies whatsoever on the west coast, but on the east coast they will continue", he was making a wild and irresponsible statement, not in accordance with the facts, about which he must or should have known as a minister of the provincial government. The pedalling of this sort of irresponsible propaganda, which seems to issue in an almost endless stream from this minister's mouth, does nothing to help solve the problems of the Canadian people, either local or national.

I hope the British Columbia minister more immediately responsible for dealing with transportation matters will not take the same line during the next six months, but will be prepared to discuss rationally the whole complex question of adequate transportation, at reasonable cost, for the people who dwell in the communities along Vancouver Island's west coast.

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to the Minister of Transport): Mr. Speaker, I am aware of the interest the hon. member for Comox-Alberni has in subsidies to transportation services on Vancouver Island.

Last November 30th, as can be seen on page 10,004 of *Hansard*, the hon. member for Comox-Alberni asked the hon. Minister of Transport the same question concerning subsidies to coastal ship services in Canada, with particular reference to the service on the west coast of Vancouver Island.

In his reply, the Minister of Transport explained that it might be possible to remedy the situation described by the hon. member through an extension of the service, if the hon. member's description of the situation was accurate.

However, the minister pointed out that the decision rested entirely with the CTC.

In answer to a second question asked by the hon. member on December 8 on the same subject, the Minister told him about the successful outcome of his intervention with the Canadian Transport Commission and about the fact that the Commission and agreed to extent the subsidies for a period of six months.

I believe discussions are now in progress between the Transport Commission and the owners of the ferry service with a view to reaching a satisfactory solution in the interest of all concerned.

I trust this information will prove satisfactory to the hon. member.

Motion agreed to and the House adjourned at 10.23 p.m.

HOUSE OF COMMONS

Wednesday, December 15, 1971

The House met at 2 p.m.

PRIVILEGE

[*Translation*]

MR. RONDEAU—ALLEGED ABSENCE OF CRÉDITISTE MEMBERS FROM STUDY SESSION CONDUCTED BY CANADIAN INSTITUTE OF CHARTERED ACCOUNTANTS

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, as recorded at page 10,406 of this Monday's *Hansard*, the hon. member for Laurier (Mr. Leblanc) made the following statement:

> . . . CICA members . . . came here to give a full day's course to hon. members and that, at their own expense. I do not recall having seen a single Créditiste member attend this course. Where were they? . . . How can they understand (the bill), if they don't even go to the official information sources . . .

Mr. Speaker, I myself had been delegated by my colleagues to attend the course given by chartered accountants. The statement of the hon. member for Laurier is totally erroneous and untrue. Either the hon. member for Laurier has willfully mislead the House, or else he was asleep during the courses given by the CICA because I was there myself. I was sitting near the hon. member for Montreal-Bourassa (Mr. Trudel) and the hon. member for Témiscouata (Mr. Gendron); the hon. member for Laurier was also sitting near me. Obviously, his memory has failed him and, besides, his mind must have been somewhere else.

[*English*]

ROUTINE PROCEEDINGS

GOVERNOR GENERAL

ANNOUNCEMENT OF CONTINUANCE IN OFFICE UNTIL SPRING OF 1973

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have been to see the Governor General and I should like to make an announcement. I should like to announce that Her Majesty the Queen has been pleased to approve the continuance in office of the Right Honourable Roland Michener as Governor General of Canada until the spring of 1973, and that the Governor General has indicated his willingness to remain in office for this period.

Some hon. Members: Hear, hear!

Mr. Trudeau: The Canadian people fully appreciate the dedicated and distinguished manner in which the right hon. Mr. Michener has carried out the high responsibilities of his office, so ably assisted by Mrs. Michener, and I am certain, Mr. Speaker, that they will welcome Her Majesty's approval of the Governor General's continuance in office.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

HAWKESBURY AIRPORT

Question No. 1,819—**Mr. Forrestall:**

1. Does the CNR intend to use their powers of expropriation to build a spur line through Hawkesbury Airport in Ontario?

2. Will the proposed spur line diminish the safety of operations at the Hawkesbury Airport by reducing the normal landing and take-off area?

3. Has consideration been given to relocating the spur line so that a minimum loss of property now utilized by aircraft will result?

4. What responsibility does the Minister of Transport have to grant protection to an airport which his Ministry licensed as a public facility, against encroachment by industry?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian National Railways advises as follows: 1. Yes.

3. Yes.

The Department of Transport advises as follows: 2. The spur line will have no adverse affect on light aircraft operations at this airport.

4. The Department of Transport licences an airport when it meets the required standards. If these licencing standards are not met as a result of an encroachment of any kind, the licence is withdrawn or restricted. For privately owned airports any dispute concerning encroachment remains a matter between the two parties concerned. In the case of Department of Transport airports these matters are settled by direct negotiation.

REGINA DEMONSTRATION PROJECT

Question No. 1,987—**Mr. Robinson:**

Will the government make public the feasibility study and operations plan for the Regina demonstration project as completed by Kates, Peat, Marwick and Company?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The work undertaken by Kates, Peat, Marwick and Company as part of the Regina demonstration project has been published, and is available in limited quantity from the Transportation Development Agency. A summary report has also been prepared by the project Steering Committee, and copies are available from

Questions

Regina Transit System or from the Transportation Development Agency.

PENITENTIARIES—PROFESSIONAL STAFF

Question No. 2,046—**Mr. Orlikow:**

How many of the psychologists, psychiatrists, physicians and dentists, employed by the government work full time at the penitentiaries and, of those who work part time, how many hours per week does each work in the penitentiaries?

Hon. Jean-Pierre Goyer (Solicitor General): By the Department of the Solicitor General:

Specialists	Number employed full time	Number employed part time	Hours/week part time employees
Psychologists	28	0	Nil
Psychiatrists	5	2	15 (all categories)
Physicians	10	1	15
Dentists	4	4	15 (all categories)

N.B.—In addition, the following specialists work on contract, on a "fee per visit" basis:

Specialists	Number
Psychiatrists	13
Physicians	10
Dentists	11

DEVELOPMENT LOAN TO TURKEY

Question No. 2,047—**Mr. Robinson:**

1. Has a five million dollar development loan been advanced to Turkey and, if so, is it being spent under the framework of the Organization for Economic Cooperation and Development?

2. What is the repayment arrangement?

3. What is the interest rate on the loan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. A five million dollar development loan was pledged to Turkey in 1969 by Canada as a member of the OECD aid consortium for Turkey. It is not being spent under the framework of OECD, though that Organization is kept fully informed of developments regarding the planned utilization of the funds.

2. Repayment in 30 years, with an initial grace period of seven years.

3. The interest rate is three per cent.

UNEMPLOYMENT INSURANCE COMMISSION—COLLECTION OF OVERPAYMENTS

Question No. 2,065—**Mr. Hales:**

1. Does the Unemployment Insurance Commission have a collection department for outstanding debts or overpayment to claimants?

2. What is the total amount of these receivables?

3. What were the amounts for each of the years 1965, 1966, 1967, 1968, 1969 and 1970?

4. What are the amounts outstanding that fall into the following classifications (a) 1-2 months (b) 3-6 months (c) 6-12 months (d) 1 year (e) 2 years (f) 3 years (g) 4 years (h) 5 years?

[Mr. Duquet.]

5. What means are used to collect these debts?

6. Is an accounts receivable balance system used?

Hon. Bryce Mackasey (Minister of Labour): 1. The Unemployment Insurance Commission has a collection section in each district office with responsibility for collection of overpayments of benefits to claimants.

2. The total amount of receivables relating to overpayment of benefits to claimants at March 31, 1971, was $5,687,199.

3. Amounts for previous years

Fiscal Year	Overpayment Receivables
1965/1966	$4,058,111
1966/1967	4,249,875
1967/1968	4,356,914
1968/1969	3,432,559
1969/1970	4,450,044

4. The Commission's Accounts Receivable system records the outstandings on a quarterly aging process and the balances for March 31, 1971, were as follows: (a) Less than 3 months, $1,088,319; (b) 3-6 months, $786,963; (c) 6-12 months, $878,543; (d) 1 year, $1,159,780; (e) 2 years, $553,-044; (f) 3 years and over, $1,220,550; (g) 4 years, N/A; (h) 5 years, N/A.

Note: Figures for four years and five years are not kept separately.

5. Collection procedures begin by contact with the claimant by letter, requesting payment or arrangements for repayment. If the claimant does not respond to such requests, facts are gathered on the claimant's ability to repay and further collection action is taken as considered appropriate in each particular case. If the claimant files a new claim, any outstanding overpayment is collected from any benefits which may become payable.

6. A system for recording of the balance for each account receivable is maintained.

DRUGS—CHARGES FOR INDICTABLE OFFENCES WHILE UNDER INFLUENCE OF DRUGS

Question No. 2,075—**Mr. Yewchuk:**

For each year 1964 to 1970, how many (a) males (b) females in the age groups 16-24 and 25-44, and under the influence of hallucinogenic drugs, were charged and convicted of indictable offenses (i) against the person (ii) against property with violence (iii) against property without violence (iv) malicious offences against property?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): The Department of the Solicitor General, the Department of Justice and Statistics Canada do not have at its disposal any records which would indicate whether or not an accused person was under the influence of a drug during the commission of any of the offences referred to in Question number 2,075 above.

APPLICATIONS FOR UNEMPLOYMENT INSURANCE

Question No. 2,115—**Mr. Robinson:**

How many applications were made for unemployment insurance by (a) males (b) females, in each year 1960 to 1970 inclusive?

[*Translation*]

Hon. Bryce Mackasey (Minister of Labour):

Fiscal Year	*Number of Applications
1961/62	2,373,921
1962/63	2,144,321
1963/64	1,946,574
1964/65	1,830,802
1965/66	1,589,163
1966/67	1,619,786
1967/68	1,887,429
1968/69	1,845,559
1969/70	1,930,495
1970/71	2,307,212

*These figures include initial and renewal claims. Statistics concerning applications filed by males or females are not kept separately.

[*English*]

RCMP RECRUITMENT

Question No. 2,117—**Mr. Robinson:**

Has there been any increase in the past three years in the number of recruits for Royal Canadian Mounted Police and, if so, how many have been recruited?

Hon. Jean-Pierre Goyer (Solicitor General): There was an increase in the 1970/71 fiscal year over the previous three fiscal years, which is reflected in the figures hereunder:

Fiscal year	Recruits engaged
1967/68	819
1968/69	814
1969/70	643
1970/71	844

NUMBER OF DEATH SENTENCES COMMUTED SINCE 1967

Question No. 2,129—**Mr. Robinson:**

Since December 1967, how many convicted criminals have had their death sentence commuted to life imprisonment and how many, if any, have been paroled?

Hon. Jean-Pierre Goyer (Solicitor General): Since December 1967, 20 convicted criminals have had their death sentence commuted to life imprisonment and none of these has been paroled to date. This figure includes 17 who had been convicted and sentenced to death prior to December 29, 1967.

NUMBER OF DEATH SENTENCES COMMUTED IN EACH YEAR 1961 to 1971

Question No. 2,130—**Mr. Robinson:**

How many convicted criminals have had their death sentence commuted to life imprisonment in each year 1961 to 1970 inclusive and 1971 to date?

Hon. Jean-Pierre Goyer (Solicitor General): 1961, 10; 1962, 2; 1963, 6; 1964, 3; 1965, 7; 1966, 5; 1967, 4; 1968, 17; 1969, 1; 1970, 1; 1971 to date, 1.

N.B. The figure for 1968 reflects the fact that after the change in the law restricting the cases in which murder was punishable by death, the sentences of those whose offence would not have been capital under the new legislation were all committed to life imprisonment.

AMOS, QUEBEC—ALTERATIONS TO INDIAN RESIDENCE

Question No. 2,162—**Mr. Laprise:**

Does the government intend to make any improvements or alterations to the residence for Indians in the city of Amos, Quebec, and, if so, on what date and of what nature?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): There are no immediate plans for any major alterations to the Amos Student Residence. During the past year alterations and major repairs were made to the water system and, at present, the inside of the residence is being painted.

UNEMPLOYMENT INSURANCE—APPLICATIONS FROM PEI

Question No. 2,190—**Mr. McQuaid:**

1. How many applications were received for Unemployment Insurance benefits from the Province of Prince Edward Island for each year 1968, 1969 and 1970?

2. Of the applications received for each year, how many were approved?

3. For each year, what amount was paid out in Prince Edward Island for Unemployment Insurance benefits?

Hon. Bryce MacKasey (Minister of Labour): 1. Initial applications received. In 1968/69, 11,122; 1969/70, 10,439; 1970/71, 11,286.

2. Benefit periods established. In 1968/69, 10,053; 1969/70, 9,104; 1970/71, 10,819.

3. Amount of benefit paid. In 1968/69, $3,852,078; 1969/70, $3,853,391; 1970/71, $4,510,024.

STUDY OF FINANCIAL METHODS OF BRITISH COLUMBIA GOVERNMENT

Question No. 2,198—**Mr. Mather:**

Did the Bank of Canada send a representative to British Columbia to study the financial methods of the British Columbia Government and, if so, is he still in British Columbia and has he made reports to the Bank of Canada?

Hon. E.J. Benson (Minister of Finance): In view of the increasing importance of Vancouver as a financial centre, the Securities Department of the Bank of Canada appointed a Vancouver representative in March, 1968, and has maintained a representative there since that time. The Vancouver representative is in constant touch with developments in financial markets in his area and in the course of his duties maintains close contact with the banking, investment and business communities and with provincial and municipal officials. The Bank of Canada Agent in Vancouver also has broad contacts with the local community and Bank of Canada officers from Ottawa make periodic visits to keep abreast of developments in the area.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PEI—MONEYS PAID TO MEDICAL DOCTORS BY GOVERNMENT DEPARTMENTS

Question No. 1,712—**Mr. McQuaid:**

For the periods ended March 31, 1970 and March 31, 1971, were any amounts in excess of $2,000 paid by any department to medi-

cal doctors or associations of doctors practising in Prince Edward Island and, if so (a) what were the amounts (b) who were the doctors or association of doctors (c) what amount was paid to each individual doctor or association of doctors (d) on what basis was the selection of doctors made?

Return tabled.

CANADIAN PENITENTIARIES

Question No. 1,872—**Mr. Orlikow:**

1. What was the total number of inmates in federal penitentiaries as of the last date for which the annual report was prepared?

2. What is the total staff employed in these penitentiaries and, of these, how many are (a) guards (b) teachers (c) psychologists (d) psychiatrists (e) others?

3. What qualifications are required for the professional staff?

4. What are the minimum qualifications for guards?

5. Is there a compulsory training course for people hired as guards and, if so, what type of course is given and what is the duration of this course?

Return tabled.

• (2:10 p.m.)

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, notice of motion for the production of papers No. 265 is acceptable to the Lggoovernment.

COPY OF PRICE WATERHOUSE REPORT CONCERNING ECONOMIC PROBLEMS IN CORNWALL, ONTARIO

Motion No. 265—**Mr. Burton:**

That an Order of the House do issue for a copy of a report prepared by Price Waterhouse Associates for the government concerning economic problems in the City of Cornwall, Ontario.

Motion agreed to.

Mr. Jerome: Mr. Speaker, notice of motion for the production of papers No. 253 is acceptable to the government subject to the usual reservations concerning confidential documents and to the authorization of the government authorities concerned.

Mr. Speaker: Subject to the reservations and conditions expressed by the parliamentary secretary is it the pleasure of the House that this motion be deemed to have been adopted?

Some hon. Members: Agreed.

CORRESPONDENCE CONCERNING FORTHCOMING CONFERENCE OF FRANCOPHONE STATES

Motion No. 253—**Mr. Macquarrie:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, telegrams, memoranda, etc., between the Government of Canada and the governments of the provinces concerning the forthcoming conference of Francophone States.

Motion agreed to.

[Mr. McQuaid.]

Mr. Jerome: Mr. Speaker, would you be so kind as to call notices of motions Nos. 261 and 263?

COPY OF UNITED STATES COMMUNICATION PROPOSING CONSTRUCTION OF PIPELINE FROM ALASKA TO SOUTHERN 48 STATES

Motion No. 261—**Mr. Anderson:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the United States communication of 1970 proposing the construction of an oil pipeline from Alaska to the Southern 48 States via Canada, referred to by Mr. James Akins of the United States State Department as quoted on page 10 of the Washington Daily News of 18 October 1971.

Mr. Speaker: Stand.

Motion stands.

EXPECTED VIOLATIONS OF FUR SEALS AND MIGRATORY BIRDS CONVENTIONS IF TAPS TANKER ROUTE ESTABLISHED

Motion No. 263—**Mr. Anderson:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence with the United States Government outlining the violation of the Pacific Fur Seals Convention Act and the Migratory Birds Convention Act which may be expected to occur if the United States Department of the Interior permits the establishment of an Alaska pipeline/tanker system.

Mr. Speaker: Stand.

Motion stands.

Mr. Jerome: I ask, Mr. Speaker, that the other notices of motions be allowed to stand.

Mr. Speaker: Shall the other notices of motions be allowed to stand?

Some hon. Members: Agreed.

ORAL QUESTION PERIOD

INCOME TAX

PROVINCIAL INTENTIONS RESPECTING AMENDMENT OF ACTS TO CONFORM WITH FEDERAL BILL—SUCCESSION DUTIES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, now that we are nearing the end of the proposed limitation on the discussion of Bill C-259, I wish to ask the Minister of Finance how many provinces have not yet indicated an intention to amend their income tax legislation, both personal income tax and corporation income tax, so as to conform with Bill C-259?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I believe that all have but I would like to check. I would like to take the question as notice. I believe that most or all of them have so indicated.

Mr. Stanfield: Have the governments of the provinces of Ontario and Quebec indicated their intention to amend their corporation income tax to conform with the provisions of Bill C-259?

Mr. Benson: I will have to take the question as notice, Mr. Speaker. The indication I received was that the province of Quebec would be acting along the same lines with regard to their Corporate income tax. The province of Ontario had some reservations. I really have not got the latest information with me. I will get it and supply it to my hon. friend.

Mr. Stanfield: I would have thought the Minister of Finance would know this before trying to ram the bill through the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: I ask the Minister of Finance whether the model or proposed succession duty act, under which the minister has agreed to co-operate with the provinces in the collection of succession duties, has been prepared? Is it being prepared in consultation with the provinces and it has been sent to the provinces?

Mr. Benson: Mr. Speaker, first of all, this is a matter for the provinces. The federal government is moving out of the death duties area and the gift tax area. There have been consultations between some of our officials and provincial officials trying to assist them in developing a standard act. However, this is a matter entirely for the provinces. We cannot tell them what they should put in their acts.

* * *

FINANCE

POSSIBLE PEGGING OF CANADIAN DOLLAR IN LIGHT OF PROSPECTIVE DEVALUATION OF U.S. DOLLAR—PROTECTION OF EXPORT INDUSTRIES

Mr. David Lewis (York South): I wish to ask the Minister of Finance a question arising out of the apparent decision of the President of the United States and the President of France for the Americans to devalue their dollar and the expectation that other currencies will be revalued upward. I want to ask the Minister of Finance whether at the meeting of the Group of Ten which is due to take place in a few days the government of Canada will have a policy of agreeing to some kind of pegging of the Canadian dollar at some level?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker. We have indicated that our policy is that the Canadian dollar shall continue to float.

Mr. Lewis: I then ask the Minister of Finance whether his advisors are able to assure him, if such assurance is possible for anyone to give, that the Canadian dollar will not stay at its present level after the United States dollar has been devalued so that the exporting industries in Canada will not be put at an even greater disadvantage?

Mr. Benson: Mr. Speaker, the Canadian dollar has been floating freely for some 18 or 19 months now with the Canadian government intervening only to clear up market irregularities in the dollar. It should represent a fair value for the Canadian dollar vis-à-vis the United States dollar. If the United States dollar moves downward, presumably the Canadian dollar would follow, but market forces must determine where the Canadian dollar will be without intervention from the Canadian government.

Mr. Lewis: Do the minister and his advisors have some kind of contingency plan in case the minister's hopes are not fulfilled and the Canadian dollar is kept at a higher level than he hopes it will be, with very serious consequences to parts of Canadian industry?

Mr. Benson: Mr. Speaker, our policy has been to allow the Canadian dollar to float freely, to have what is called a clean float. We intend to continue that policy.

POSSIBLE CANADIAN CONTRIBUTION TO SOLUTION OF U.S. CURRENCY PROBLEMS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance a question arising out of the statement of the Secretary of State for External Affairs in the House a few days ago when he referred to Canada being willing to make a contribution toward a general solution of United States currency problems. Can the minister indicate the nature of the general contribution Canada is prepared to make?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I understand from the Secretary of State for External Affairs that he said trade rather than currency.

[*Later:*]

Mr. Stanfield: Mr. Speaker, I suppose this is really a question of privilege arising out of the response of the Minister of Finance to my question in which he said that the Secretary of State for External Affairs had advised him that he had referred only to the solution of trade problems. If reference is made to page 10384 of *Hansard* one will find what the Secretary of State for External Affairs said last Monday. It reads as follows:

> My discussions with Mr. Malfatti, president of the European Economic Commission, Mr. Mansholt, vice-president, and other senior officials came at a particularly apposite time, on the eve of the Council of Ministers' consideration of United States proposals for resolution of the monetary and trading problems now facing us.

In view of the confusion in the mind of the Secretary of State for External Affairs, I should like to ask the Minister of Finance whether the Secretary of State for External Affairs knew what he was talking about when he made that statement?

Mr. Benson: I would like to say that at all times the Secretary of State for External Affairs knows what he is talking about, much more so than the Leader of the Opposition—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[*Translation*]

AGRICULTURE

DAIRYING—REFUNDS ANNOUNCED BY MINISTER—DATE OF MAILING OF CHEQUES TO QUEBEC PRODUCERS BOARD

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to direct a question to the Minister of Agriculture.

In view of the announcement regarding the repayment of 16 cents per hundredweight to manufacturing milk producers, could the minister advise the House if such refunds will soon be mailed to the Office des producteurs du Québec?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am not quite sure what is meant by the 7 cents. Some time ago I announced there would be a refund of from 20 cents to 10 cents on the hold-back on manufacturing milk and, indeed, from 26 cents to 10 cents on that portion collected prior to June, I believe. Some of these cheques I think ought to be ready soon, but I will check on the exact date when they will be mailed.

* * *

EXTERNAL AFFAIRS

DISPOSITION OF MONEY TO ASSIST EAST PAKISTANI REFUGEES IN INDIA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask a question of the Secretary of State for External Affairs. Can he indicate today the present state of the recently announced $18 million contribution toward assisting Pakistani refugees in India? Can he indicate how much of this has actually been turned over, to what authorities and in what precise form?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I would like to take notice of the question. I might add, however, that the policy of the Canadian government continues unchanged. It is our intention to make that money available to help the refugees. Needless to say, a complication arises when the refugees return to their homes, but this is a question which we will have to discuss as the situation develops.

• (2:20 p.m.)

[*Later:*]

Mr. Macquarrie: My supplementary question is directed to the Secretary of State for External Affairs. In consideration of the clearly immense problems which will follow the cessation of hostilities, can the minister advise whether consideration is being given to stockpiling foodstuffs and materials in the area nearby and whether in particular the government is emulating the government of the United States in acquiring vast quantities of processed potatoes for distribution in this very worthy cause?

An hon. Member: Potatoes from Prince Edward Island.

Mr. Sharp: Mr. Speaker, the government is following these developments very closely. As I said in reply to the earlier question, the situation is now changing. We may not have as many refugees in India as we had in the past but we will have new complications arising out of the declared policy of India to recognize the new state of Bangla Desh, which is not Canadian policy at present; so we have complications arising out of that.

I can add that, as the hon. member knows, we had made provision for help in the form of food to East Pakistan. It was impossible to deliver this food which has now been diverted and I hope it can be moved in to help. We may have to do other things as well. I am sure the hon. member would agree that the Canadian government should do everything possible to help in this humanitarian effort.

INDIA-PAKISTAN WAR—BRITISH RESOLUTION IN SECURITY COUNCIL CALLING FOR CEASEFIRE—CANADIAN POSITION ON RIGHT OF EAST PAKISTAN TO CHOOSE INDEPENDENCE

Mr. Andrew Brewin (Greenwood): My question is related, Mr. Speaker. Can the Secretary of State for External Affairs inform the House whether or not the British government is proposing a compromise resolution in the Security Council which calls for a ceasefire in the India-Pakistan war but realistically recognizes the fact that the people of East Pakistan should have the right to choose independence if they so desire and that the withdrawal of Indian forces from East Pakistan is dependent on this recognition?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I cannot vouch for all the contents of this resolution but I can confirm that a resolution has been put forward in the Security Council, rather along the lines we had originally proposed when the matter was before the General Assembly but which unfortunately could not be adopted at that time. We believe that something much more realistic than what was approved in the General Assembly is appropriate.

Mr. Brewin: Does the Secretary of State for External Affairs go so far as to agree with the resolution that the people of East Pakistan should have the right to choose independence if they so desire?

Mr. Sharp: I have not seen the terms of this resolution and I would hesitate to give an answer. As the hon. gentleman knows, the problem between self-determination and the principle of non-interference in the internal affairs of other states is an unsettled problem.

* * *

THE CANADIAN ECONOMY

MEASURES TO INCREASE INDUSTRIAL PRODUCTIVITY AND PROVIDE JOBS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. In view of the statement in the latest report of the Economic Council of Canada, which as the minister knows was produced recently, that "industrial productivity in Canada must increase considerably if the economy is to produce the jobs needed by the rapidly growing work force", is it the intention of the government to bring about

this increase in productivity by offering tax incentives to industries, or does it intend to use some other means?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we have already used tax incentives, and there has been an increase in productivity in Canada in the past year, as the hon. member knows.

Mr. Hees: On a supplementary, if the minister will examine the figures he will see the increase has not been nearly satisfactory—

Mr. Speaker: Order, please.

Mr. Hees: Mr. Speaker, I would ask a supplementary—

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of asking a supplementary and not to engage in debate. Perhaps he would ask his supplementary question.

Mr. Hees: The minister has to be set right, Mr. Speaker. As a supplementary question, is it the firm conviction of the minister that it is always better to do nothing and simply rely on providence?

Mr. Speaker: That again is not a supplementary but debate. The hon. member for Surrey-White Rock.

* * *

TRADE

MINI-TYPE SUBMARINE—CANCELLATION OF EXPORT PERMIT ISSUED TO INTERNATIONAL HYDRODYNAMICS

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question I want to direct to the Secretary of State for External Affairs. Having in mind the statement made in the House yesterday by the Minister of Industry, Trade and Commerce to the effect that Canada's security was the sole reason for our about-face in cancelling the export permit for the baby submarine being made in Vancouver for sale to Russia, despite the fact he indicated that some consultation had taken place between Canada and the United States, does the minister know that American components were used in the construction of this submarine? Second, does he know that, so far as defence elements are concerned, this baby vessel can only be used if connected to a mother ship?

Mr. Speaker: Order, please. The question is hardly in order. The member is asking whether the minister knows certain information. The question in those terms cannot be accepted.

* * *

CANADA COUNCIL

GRANT TO BRING WRITERS FROM EUROPEAN COUNTRIES TO INSTRUCT CANADIANS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State who I believe reports for the Canada Council. I base my question on information from the Canadian Authors' Association having to do with a grant by the Canada Council of $100,000 to bring in writers and scholars from five European countries at salaries of up to $1,000 per month to tell Canadians how to write. Of the 39 who have been designated, 34 are from France and the others are from West Germany, Belgium and Italy. None are from the United Kingdom, none from the United States, and none from Canada. Will the minister look into this matter and ascertain the basis on which this huge amount of money has been expended, and whether consideration was given to our authors in Canada, even to the members of the Press Gallery here—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —who know how to write and do not have to have foreigners come here to tell Canadians how to write?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I shall inquire and get all the answers to the questions that the right hon. member has just put, including another one, that is whether, as usual, he has not grossly simplified this action by the Canada Council.

[*English*]

Mr. Diefenbaker: Mr. Speaker, of course the hon. gentleman does not know what is going on. I direct his attention to the Canadian Authors' Association report, Toronto branch, in its bulletin of December, 1971. I am surprised that the minister, with that omniscience he has about everything, has not seen it.

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

* * *

YOUTH

SUMMER EMPLOYMENT—EVALUATION OF GOVERNMENT PROGRAMS BY VOLUNTARY AGENCIES—OPPORTUNITY FOR DISCUSSION—POSSIBLE CONFERENCE

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a question to the Secretary of State. It relates to the publication last evening of the report by the Canadian Council for Social Development on its evaluation of the Opportunities for Youth and other summer youth programs funded by the federal government. In view of the number of reports being submitted by voluntary agencies, including some very important ones, what steps is the minister taking to provide an opportunity for some discussion and dialogue, and is consideration being given to holding a conference perhaps similar to the one scheduled a year ago but unfortunately cancelled because of lack of support from the government?

• (2:30 p.m.)

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I think that last year's conference which the hon. member is referring to had been cancelled for several reasons, Mr. Speaker, and not only the one he mentioned.

It is obvious that the widest possible discussion on last year's program and the forms that the employment program for youth should take next summer must be favoured. We have received some proposals, timid, I must say, calling for a conference to be held at the national level and this is a suggestion that we are going to consider.

[*English*]

Mr. MacDonald (Egmont): I wonder if the Minister can give any indication whether proposals will be favourably received with regard to such a conference and, in particular, with regard to some of the recommendations that have been consistently made? Has a secretariat now been organized to begin planning for next summer with a view particularly to decentralizing the program into the various regions of the country?

[*Translation*]

Mr. Pelletier: To the hon. member's last two questions, Mr. Speaker, I can give an affirmative answer. There is an active secretariat and decentralization plans have been drawn up.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

POSSIBLE CONFLICT BETWEEN REGULATIONS UNDER ACT AND NATIONAL REVENUE REGULATIONS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question is directed to the Minister of Labour as a result of some very peculiar circumstances recently revealed by the Real Estate Association of Canada. Has the Department of National Revenue drafted a set of regulations contrary to those drafted by the minister's department and, if so, can the minister inform the House which set of regulations takes precedence?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I am not unaware of the representations of this particular group which would prefer to be included under the coverage of the Unemployment Insurance Commission. As a result of their brief I have asked my officials to meet with the Department of National Revenue in order to make certain that if there is any ambiguity or contradiction in the regulations it will be clarified immediately.

Mr. Alexander: Mr. Speaker, I appreciate the minister's answer but what I am trying to ascertain is whether the Department of National Revenue, because of its position with respect to the Unemployment Insurance Commission, is also drafting regulations or has drafted regulations contrary to the regulations being drafted by the minister's department. If that is so, I should like to know which regulations take precedence and which department in fact sets policy for the Unemployment Insurance Act?

Mr. Mackasey: Mr. Speaker, we set policy for the Unemployment Insurance Act. From January 1 next the Department of National Revenue will have the responsibility of collecting the weekly contributions of employees on behalf of the Unemployment Insurance Commission. There may be some confusion as to what an "employee" is. It is not a question of precedence; it is a question of making sure that the regulations are uniform.

Mr. Speaker: The hon. member for Joliette.

Mr. Alexander: One further supplementary, Mr. Speaker.

Mr. Speaker: Perhaps the hon. member for Joliette will bear with the Chair for a moment. I will allow the hon. member for Hamilton West a second supplementary and then go to the hon. member for Joliette.

Mr. Alexander: Mr. Speaker, I am still asking the minister a very simple question and for some reason or other he is debating the matter. I should like to know whether the Department of National Revenue is preparing regulations which are contrary to regulations being prepared by the minister's department. That is a simple question. Is there any co-ordination between these two departments or are two sets of regulations being drafted at the same time, each unknown to the other department?

Mr. Mackasey: I said in answer to the original question that I had asked my officials to make sure that, even unintentionally, regulations of the Department of National Revenue were not in some way contradictory to those of my department. I want to remove this confusion and make sure that the regulations are uniform.

Mr. Speaker: The hon. member for Joliette.

[*Translation*]

EXEMPTION DECREED BY QUEBEC FOR SCHOOL BOARD AND HOSPITAL EMPLOYEES—MINISTER'S POSITION

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Minister of Labour.

Considering that the minister in charge of Quebec civil servants stated yesterday that his government had took it upon itself to define the exception provided in section 3(3) of the Unemployment Insurance Act so that Quebec school board and hospital employees would be covered, and that the decision was taken because the federal legislation did not provide a clear definition, would the minister tell us if he intends to make that legislation more specific?

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, several provinces have asked me to clarify section 3(2)(e) of the act with reference to "excepted employees". The minister in Quebec responsible for the civil service, in the absence of regulations, has included school teachers and hospital workers as civil servants. In order to remove any ambiguity and confusion the Governor in Council at my suggestion has amended the unemployment insurance regulations, in particular section 49(2), to clarify in the clearest possible terms those classes of employees to be included in the provincial option—

Mr. Speaker: Order, please. I assume the minister has replied to the question asked by the hon. member. Unless he wishes to revert to motions, I do not think the explanation should be pursued further.

[*Translation*]

Mr. La Salle: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The hon. member for Joliette on a question of privilege.

Mr. Roch La Salle (Joliette): Mr. Speaker, as my question is of the utmost importance, not only for Quebec which pointed out the vagueness of the federal act yesterday, but also for all the other provinces, I wonder, as you mentioned yourself, whether we should revert to motions and the House would agree to allow the minister to explain exactly where we stand with regard to this act.

[*English*]

Some hon. Members: Agreed.

Mr. Speaker: Is it the wish of the House that we revert to motions for the purpose of allowing the minister to make a statement?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

Is the hon. member for Joliette rising on a supplementary?

Mr. La Salle: Yes, Mr. Speaker.

I should like to ask the minister whether employees of school boards and hospitals in Quebec will not be subject to the new Unemployment Insurance Act.

[*English*]

Mr. Mackasey: Mr. Speaker, the regulations, particularly in section 49(2), now read as follows:

For greater certainty, employment in Canada by Her Majesty in right of a province, for the purposes of subsection (I), only includes employment in Canada of employees who are appointed and remunerated under the Public Service Act or Civil Service Act of a province—

Mr. Speaker: Order, please. I suggest to the hon. member asking the question and to the minister giving the reply that this is not in accordance with the spirit of the question period. We have already had two long answers to two long questions and we only have limited time at our disposal. We should go on. The hon. member for Edmonton Centre.

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HEALTH AND WELFARE

POSSIBLE ESTABLISHMENT OF COUNCIL FOR APPLIED SOCIAL RESEARCH

Mr. Steven E. Paproski (Edmonton Centre): My question is for the Prime Minister.

Mr. Hees: Hey, buster!

Mr. Paproski: In light of the fact that there are some five million Canadians living in poverty and approximately $7 billion is spent annually in health and welfare services, is the government going to set up a council for applied social research as urged by the Senate report on poverty and, if so, when will a statement be made?

Right Hon. P. E. Trudeau (Prime Minister): I shall confer with the Minister of National Health and Welfare on this, Mr. Speaker.

Mr. Paproski: In light of the fact that the social development council only received $995,000 in the 1970-71 budget to monitor and research that $7 billion, can the Prime Minister assure the House that far greater funds will be made available next year and, if so, will a statement be made shortly?

Mr. Speaker: While the matter is being considered—the hon. member, of course, is making a suggestion and he has to assume that it will be considered.

Mr. Paproski: One further supplementary.

Mr. Speaker: Order, please. I will recognize the hon. member for Edmonton Centre but I bring to the attention of hon. members that if we have two or three supplementaries on every question—

An hon. Member: And no answers.

Mr. Speaker: —whether there are answers or not, certainly there is no point in hon. members rising by the twenties or thirties hoping to participate in the question period as there is less than 15 minutes left before we call orders of the day. The hon. member for Edmonton Centre on a further supplementary.

Mr. Paproski: Is the Prime Minister aware that the social development council estimates that of the $7 billion only 9 per cent was spent specifically for financial assistance and services for the very poorest in our population?

Mr. Speaker: That is argument and not a question. The hon. member for Regina-Lake Centre.

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ELECTIONS

INQUIRY AS TO LEGISLATION ON CANDIDATES' EXPENSES

Mr. Les Benjamin (Regina-Lake Centre): My question is directed to the President of the Privy Council. In answer to a question of mine last September 22 concerning legislation to implement the report of the Special Committee on Election Expenses the minister said that the objective of the government was to have legislation passed in this Parliament. May I ask the government House leader if that legislation is being prepared or is now ready? If it is ready, could members have the advantage of looking at it over the Christmas and New Year recess and could he assure the House that it will be presented to parliament early in the next session?

• (2:40 p.m.)

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I want to assure my hon. friend that we have been working on the recommendations of the parlia-

mentary committee and we are continuing the study of election expenses. The problem here is in fitting this important piece of legislation into the over-all legislative program. That is now under consideration and we will be reaching a decision soon as to what the legislative program for the next session of Parliament will be.

Mr. Benjamin: Mr. Speaker, may I ask the government House leader if he will consider consulting with the House leaders of the other parties with a view to obtaining agreement in advance for rapid action on any legislation that the government will bring in?

Mr. Speaker: Order, please. The hon. member has made his representation.

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[*Translation*]

AGRICULTURE

POSSIBLE EFFECTS OF UNITED STATES DISC PROGRAM ON EXPORTS AND IMPORTS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Agriculture.

Since a joint committee of members of the American Senate and Congress are preparing a bill on the marketing of farm products and the marketing and prices of Canadian farm products will certainly be affected, can the hon. minister tell us whether, when drafting Bill C-176 on the marketing of Canadian farm products, his department or the government has taken these facts into consideration in order to prevent adverse effects for Canadian exporters and producers?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker.

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SPORTS

BARRING OF CANADIAN HOCKEY TEAMS BY BUNNY AHEARNE FROM PARTICIPATION IN GAMES IN EUROPE

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Minister of National Health and Welfare arising out of a story that appeared today which said that Mr. Bunny Ahearne is barring certain Canadian teams from participating in tournaments in Europe, even though these teams were invited by certain countries. I would ask the minister to find out if any bylaws are being broken and to see if any way can be found for these teams to participate in these games in which they were invited to participate.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I will be pleased to look into the situation.

Mr. Paproski: Look into the NHL as well.

[*Later:*]

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is supplementary to that asked by the hon. member for Kamloops-Cariboo of the Minister of National Health and Welfare. Since the so-called czar of European hockey, Bunny Ahearne, is using intimidation on host clubs in Europe, would the minister use his good offices and take this matter up with the Dutch embassy and the Belgium embassy in order that these clubs may meet their obligations to the Kamloops club?

Mr. Munro: Mr. Speaker, that suggestion is worthy of consideration. However, I would say that past experience with Bunny Ahearne would indicate that I do not have that much influence with him.

GRANT TO SPORT PARTICIPATION CANADA— INVESTIGATION OF ABUSES IN AMATEUR HOCKEY

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, will the minister advise the House whether the government has made a grant of $350,000 to Sport Participation Canada, as indicated in the press? Will he also advise whether there is an agreement with the provinces to establish a committee to look into abuses prevalent in amateur hockey?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, if I may deal with the latter question first, yes, the provinces have agreed with the federal government to have their officials meet with our own over the course of the next four or five weeks to make recommendations as to what joint action can be taken to deal constructively with many of these abuses in hockey.

As to the hon. member's first question, yes, we have made an initial grant to this body, which is made up principally of people from the private area, to enable them to raise funds from private sources, to call on the private sector and, through the resources of the media, to stimulate motivation for the holding of Canadian sports events.

Mr. Marshall: A supplementary question, Mr. Speaker. Would the minister agree to make any further announcements of such importance in the House in order to give members of the opposition an opportunity to respond?

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CANADA LABOUR CODE

SURVEY OF HOW OTHER NATIONS DEAL WITH TECHNOLOGICAL CHANGE BEFORE DRAFTING OF BILL

Mr. Stan Schumacher (Palliser): Mr. Speaker, may I address a question to the Minister of Labour. Did the minister undertake any type of survey on how other nations handle technological change through the collective bargaining process before Bill C-253 was drafted. If so, was the bill patterned in any way on the experience of any other nation or nations?

Hon. Bryce Mackasey (Minister of Labour): Yes, Mr. Speaker. We have studied the labour laws and codes of all other industrialized nations. In the United States, for instance, we have found that a collective agreement can be opened on any issue at any time if there is normal advance notice. In Canada it is just the opposite.

FISHERIES

MEASURES TO RESTORE SWORDFISHING INDUSTRY IN LIGHT OF CONCLUSION RESPECTING PRESENT LEVELS OF MERCURY IN FOOD

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of the Environment and Minister of Fisheries. In view of the statement made by Great Britain's Minister of Agriculture, Fisheries and Food that he has accepted the conclusion of several advisory groups that there is no evidence of harm to health from present levels of mercury in food for the average consumer, will the minister step up his own research on mercury in swordfish and renew negotiations with the United States Food and Drug Directorate in the hope that the swordfishing industry may be restored in Atlantic Canada?

Hon. Jack Davis (Minister of the Environment and Minister of Fisheries): Mr. Speaker, there is no prohibition on the export of swordfish to countries that do not have limits on mercury. The question of levels on this continent is a matter for the food and drug administrations in Canada and the U.S.A.

SELKIRK FISH PLANT-INQUIRY AS TO POSSIBLE CLOSING

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Minister of Fisheries. Yesterday he took as notice my question regarding the possibility of the closing of the Selkirk fish plant, which would be contrary to the undertaking he gave previously to this House. I wonder whether he can answer that question now?

Hon. Jack Davis (Minister of Fisheries): Mr. Speaker, the 70-year old fish plant at Selkirk does not meet our standards for inspection. It is being phased out. However, we are hoping to develop new supplies of fish and to have a plant operating at Selkirk in the not too distant future.

Mr. Rowland: I rise on a question of privilege, Mr. Speaker. On June 25, 1970, as recorded at page 8618 of *Hansard,* the minister said among other things:

My own forecast is that there will be two plants, an old one and a new one. The old one at Selkirk needs to be rehabilitated and this will take place beginning next year. I also expect employment in Selkirk will probably increase and not decrease in so far as fish processing is concerned.

I submit that that definite undertaking has been entirely contravened by what the minister has told the House today. If you think that I have a prima facie case of privilege, Mr. Speaker, I would move that the matter be referred to the Committee on Privileges and Elections.

Mr. Speaker: The hon. member does not have a prima facie case and he may not move the motion.

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[*Translation*]

POST OFFICE

PURCHASE OFFERS TO MAIL TRANSPORTATION COMPANIES—INTEGRATION OF EMPLOYEES INTO DEPARTMENT

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put to the Postmaster General a question of which I have given him notice and I think he will be in a position to answer.

Can he tell the House whether officials of his department have been authorized to make purchase proposals to private transport companies now under contract to haul mail? Can he say what offers have been made and what are the intentions of the department in this connection?

Hon. Jean-Pierre Côté (Postmaster General): Yes, Mr. Speaker, purchase proposals were made to some contractors for their equipment and trucks. This is further to the statement I made in this House on November 23 concerning integration of postal services in 19 large urban centers in the country.

Mr. Valade: I have a supplementary, Mr. Speaker.

Would the minister tell us whether there is a guarantee under these offers that all staff will be integrated into the corporation which is to be established?

Mr. Côté (Longueuil): Mr. Speaker, I said in my statement of November 23 that all permanent employees of those contractors would be integrated into the postal service.

* * *

[*English*]

BROADCASTING

LACK OF SUNDAY CHURCH SERVICES ON RADIO IN TORONTO

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, may I direct a question to the Secretary of State. I asked him three weeks ago whether he was aware of the secular censorship of Sunday church services on radio, particularly in the Toronto area. These broadcasts in many cases are the only means by which our senior citizens, the disabled, the crippled, the blind and those confined to hospitals or homes can participate in religious services of their choice. At that time the minister replied that he would look into this matter and let me know about it. We have now less than two weeks to go before Christmas and a lot of spiritual music is being performed. Can he make a report today?

• (2:50 p.m.)

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, as I promised to the hon. member, I have submitted that question to both the CBC and the CRTC. Unfortunately, I did not yet get an answer from either.

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[*English*]

AGRICULTURE

SPECIAL LOANS TO EXHIBITIONS—EXTENSION OF PROGRAM TO INCLUDE CLASS C FAIRS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. In view of the limited nature of the recently announced $10 million loan program for exhibition buildings in that those loans are available only with respect to class A and class B fairs, will the

minister consider extending this program so that other communities, smaller communities holding class C fairs, for instance, may be able to take advantage of the loan program?

Mr. Speaker: Order, please. The minister might reply briefly, if he wishes, but I would suggest to the hon. member that this is a question which should normally be placed on the order paper. I am not aware that such fairs take place at this time of year. If there is no immediate urgency, I would think the question ought to be placed on the order paper. If there is urgency, it can be considered at the time of adjournment.

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SUPPLY AND SERVICES

PURCHASE OF MINI-SUBMARINE BY GOVERNMENT—REPAYMENT OF MONEY ADVANCED BY RUSSIA

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is addressed to the Minister of Supply and Services, Mr. Speaker. It relates to an announcement made yesterday at a press conference by the Parliamentary Secretary to the Minister of Trade and Commerce that the government of Canada was prepared to buy a mini-submarine being constructed in British Columbia. Can the minister now tell us when an offer is to be made to the company concerned and what is to happen with respect to the 30 per cent of the $2 million price paid to the company by the U.S.S.R.?

Hon. James Richardson (Minister of Supply and Services): The government has agreed to purchase the submarine. I will make inquiries as to the details of the repayment to the U.S.S.R.

Mr. Forrestall: Can the minister tell us whether action to lift the sales permit was taken only in light of the fact that it was being sold to Russia? Were any other countries involved? Can the minister also tell us which department will be using this mini-submarine?

Mr. Speaker: Order, please. The second part of the question should be placed on the order paper. The minister might reply briefly to the first part. We are just about out of time. The hon. member for Gander-Twillingate. Is the hon. member for Dartmouth-Halifax East rising on a point of order?

Mr. Forrestall: Yes, Mr. Speaker. I hesitate to bring to Your Honour's attention the fact that the minister was in the process of rising to respond to the first part of the question.

Mr. Speaker: I did not notice the minister rising. If he wishes to reply to the first part of the question, the answer should be given quickly.

Mr. Richardson: Mr. Speaker, you ruled part of the question out of order and I do not know what the first part of the question was.

Mr. Forrestall: When will the offer be made to purchase the submarine? As of this morning it had not been made to the company involved.

[Mr. Foster.]

Mr. Richardson: The initial payment has already been made to the company. The date of the final payment has not yet been determined.

* * *

FISHERIES

INQUIRY AS TO AGREEMENT BETWEEN CANADA AND DENMARK RESPECTING RESOURCES OFF ATLANTIC COAST

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the Secretary of State for External Affairs whether an agreement has been reached between Canada and Denmark regarding the fisheries resources off the Atlantic coast, and would he be prepared to table the text of the agreement or the diplomatic notes exchanged in arriving at such an agreement?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I shall have to make inquiries. There have been negotiations. I am not absolutely sure of their present stage but I will obtain an answer.

* * *

INQUIRY OF THE MINISTRY

Mr. Arnold Peters (Temiskaming): Mr. Speaker, I should like to ask the Prime Minister a question. Has the right hon. gentleman any news to give to the country as to the anticipated date of his application for benefits under the Family Allowances Act?

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

EXEMPTION BY QUEBEC OF PROVINCIAL CIVIL SERVANTS—POSITION OF FEDERAL GOVERNMENT

Mr. Gérard Laprise (Abitibi): Mr. Speaker, yesterday, in the absence of the Minister of Labour, I asked his parliamentary secretary if he was in a position to say whether the Quebec government had taken a decision about the contributions of some categories of employees of that province to the unemployment insurance fund. The parliamentary secretary replied that the minister could answer today. Would the minister now be ready to make this effort?

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Here we face the same difficulty as we did with respect to a previous question. I am hoping that at the end of the question period I may be permitted to revert to motions and deal with the question asked by the hon. member for Joliette and the question which has just been raised.

Mr. Speaker: Order, please. We have, in fact, reached the end of the question period. I apologize to hon. members, including some hon. members on the front bench to my left, who have not had an opportunity to put their

questions. I have tried to recognize some hon. members in the other rows and I will try to give others who might have been recognized an opportunity tomorrow to ask their questions. There is a request by the Minister of Labour that by unanimous consent we revert to motions to allow him to make the statement to which he has referred. Is this agreed?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: Before we do that, I recognize the hon. member for Sainte-Marie who wishes to raise a question of privilege.

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I rise on a question of privilege at this time because I waited until the question period was over so that I would not delay hon. members who wanted to put questions.

My question of privilege deals with an answer the Prime Minister gave me yesterday when I put a question to him in connection with the problem raised during the question period, and I quote, from page 10453 of *Hansard*, what he said:

> No, Mr. Speaker, there will be no special regulation. The act is known to this House for it was passed by this House. The government intends to announce very soon the regulations under this act. They are clear and known to everyone, including the government of the province of Quebec.

Mr. Speaker, this contradicts the comments made by the Minister of Labour a while ago to the effect that the act contains some ambiguities and that he had to clarify the situation.

I maintain that the Prime Minister gave a false and incorrect answer yesterday and that the minister is again attempting to clarify the problem and enable the province of Quebec to take its own responsibilities. In my opinion, the minister should have been invited to make such a statement at the beginning of—not after—the oral question period.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker—

Mr. Speaker: Order. I regret to interrupt the right hon. Prime Minister who is entitled, if he so wishes, to reply to the question of privilege raised by the hon. member for Sainte-Marie, but I am prepared to allow the Prime Minister to do so.

I would, however, remind hon. members that to question an answer given by a minister during the question period does not constitute a question of privilege.

I refer hon. members to Citation 181 of Beauchesne's Parliamentary Rules and Forms, fourth edition. I could invoke this citation every day when hon. members rise on a question of privilege in order to question an answer that was given to them. I suggest that what is taking place now is a debate between two hon. members, and the question should not be referred to the Chair under cover of a question of parliamentary privilege.

[*English*]

Mr. Dinsdale: On a point of order, Mr. Speaker. I have been endeavouring to catch Your Honour's eye for the past half hour.

Some hon. Members: Oh, oh!

Mr. Dinsdale: I have not had the privilege of asking a question since last Friday and I have an important question for the Minister of Indian Affairs and Northern Development. He has now departed and he will not be here tomorrow. I do not know how to handle the matter. It involves a question of vital importance to institutions in national parks such as the Banff School of Fine Arts. Perhaps I could have Your Honour's permission to present it as notice to the minister.

• (3:00 p.m.)

Mr. Speaker: Order, please. I must say, speaking very honestly, that I am always a bit surprised when I hear hon. members say they have not had an opportunity to ask a very important question on a very important matter. During the question period hon. members are given an opportunity to ask questions, but the purpose of the question period is to seek information. I sincerely feel there must be other ways for members to seek information than to ask a question during the 40 minutes allowed them for the question period. The Chair is in the hands of hon. members. We can continue the question period for a longer time by unanimous consent of the House. Otherwise, when the question period has ended the Chair has no other alternative but to call orders of the day. Is there unanimous consent to allow the hon. member for Brandon-Souris to ask his question?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. However, I will tell the hon. member that he caught the Speaker's eye. I shall certainly make it my duty to see that he is recognized at the first opportunity and given priority over other members.

[*Translation*]

Mr. Trudeau: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: The Prime Minister raises a question of privilege.

Mr. Trudeau: I would not want to complicate your task, Mr. Speaker, but I did not quite understand your ruling. I understood that you allowed me to comment on the question of privilege raised by the hon. member, even though it was not well founded.

I just want to say, if you do not want to allow me to give further explanations, that we are prepared to revert to motions, provided the opposition agrees, to enable the Minister of Labour to read these regulations which—as I was saying yesterday—are clear for everyone. However, the minister must be allowed to move them.

[*English*]

Mr. MacInnis: A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Cape Breton-East Richmond on a point of order.

Mr. MacInnis: We have just had an example of what this government is doing to the rules of this House. I refer once again to the deliberate absence of ministers from the House which removes the urgency from important questions many hon. members on this side wish to put. I also refer to the answer the Prime Minister has just given in response to a question of privilege brought up previously. According to the rules of this House, it is too late now for him to speak to the same question in that he allowed time to elapse and there have been two points of order in between.

Mr. Speaker: Order. Of course I am not going to become involved in this.

Mr. Knowles (Winnipeg North Centre): A point of order, Mr. Speaker.

Mr. Speaker: The hon. member for Winnipeg North Centre on a point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if there was not unanimous consent for the Minister of Labour to revert to motions to make a statement—

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Or was there?

Mr. Speaker: There was not at that point. However, I am at the service of the House and I will inquire again whether there is unanimous consent. Is there unanimous consent to revert to motions?

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I object. A few moments ago, when you asked whether there was unanimous agreement, some government members refused to give their consent. I do not see why we should now give ours.

Mr. Speaker: Obviously, the House is not unanimous.

[*English*]

There is not unanimous consent. The Chair recognizes the hon. member for Lotbinière on a point of order.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, on this point, I should like most humbly to point out that my hon. colleague from Abitibi raised the point before the hon. member for Sainte-Marie and that consequently, according to the Standing Orders, his question should have been put before that of the hon. member for Sainte-Marie. Since attempts made so far to obtain unanimous consent were not in keeping with the Standing Orders and since we insist on obtaining this information we would most humbly ask you to call for unanimous consent again.

Mr. Speaker: Order. I asked, hardly ten seconds ago, I believe, whether there was unanimous consent. The hon. member cannot logically be suggesting that I spend the whole afternoon calling for unanimous consent. I have done so twice. I will make a third attempt.

Is there unanimous consent?

Some hon. Members: No.

Mr. Speaker: There is no unanimity.

[*English*]

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if, as you have ruled, there was not unanimous consent to revert to motions so that the minister could make a statement, I wonder whether there would be unanimous consent to revert to motions so that the minister could at least lay on the table the Order in Council that he was seeking to read?

Mr. Speaker: Is there unanimous consent to allow the minister to table the document?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order. As recorded on page 10453 of *Hansard* yesterday, my colleague from Abitibi asked that question of the Parliamentary Secretary to the Minister of Labour and the latter assured my colleague and the House that the minister would have the appropriate answer prepared for today. This can be done in one way or another, either on motions or by merely providing the answer. Mr. Speaker—

Mr. Speaker: Order. We have taken 10 or 15 minutes of the valuable time of the House to ask whether there was unanimous consent about the matter raised by the member for Lotbinière for the third or fourth time. There is no unanimous consent.

[*English*]

Mr. Alexander: A point of order, Mr. Speaker. I should like to think at this time, in view of the importance of the statement that the minister wishes to make—I say this with all humility and respect to you—perhaps we could get unanimous consent for the minister to give the statement, primarily because—

An hon. Member: Oh, come on.

Mr. Alexander: You keep your big mouth shut.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I suggest very kindly to the hon. member for Hamilton West that we have had a number of members suggest that we revert to motions. For this we must have unanimous consent, and each time the Chair has inquired whether there was such consent there has not been unanimity. May we have order, please? I am wondering whether it is conducive to the decorum of the House to continue for a good part of the afternoon by inquiring every two minutes or so, on the initiative of different members, whether there is unanimous consent. I think that is an abuse of the process of this House.

Mr. Alexander: With all due respect, Mr. Speaker, in view of the importance of this matter I would hope there would be some interest in what is going to happen on January 1. The minister has a very important statement to make, that is of vital interest not only to the members of this House but also to the people of Canada who will be taking advantage of this legislation. If we are going to be responsible here and do our duty, I hope that unanimous consent will be given so that we in the opposition parties will have an opportunity to reply to the minister.

Mr. Speaker: Order, please. Hon. members know as well as I do that there has not been unanimous consent. I know which members refused their consent, but I think it would be unfair on my part to suggest who they were. Would the hon. member kindly resume his seat. I shall again inquire whether there is unanimous consent, but I suggest to hon. members it is somewhat ridiculous for hon. members to continue along this line. In a spirit of co-operation with hon. members, because I am here to act on their behalf, I shall inquire once again whether there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

• (3:10 p.m.)

Mr. McGrath: I rise on a question of privilege, Mr. Speaker. Since this is a very important matter, I think the record should show that it was the hon. member for Calgary South (Mr. Mahoney), the Parliamentary Secretary to the Minister of Finance, who refused unanimous consent.

Some hon. Members: Shame.

Mr. Mahoney: I rise on the same question of privilege, Mr. Speaker. I think the record should also show I am not the one who has been complaining there has not been enough time to debate the tax bill.

Some hon. Members: Hear, hear!

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Tuesday, December 14, consideration of the motion of Mr. Benson for the third reading of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, and the amendment thereto of Mr. Knowles (Winnipeg North Centre) (p. 10464).

Mr. Maurice Foster (Algoma): Mr. Speaker, it is nice to get back to the work of the House on Bill C-259, the tax reform bill. We were debating the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) last evening before ten o'clock. Last evening I was commenting on the fact that the Leader of the Opposition (Mr. Stanfield) indicated he really does not understand the bill. I think there is general agreement, at least on this side of the House, that he does not understand the bill. This shows we can get agreement on this side. Many people in Canada understand the effects of this bill. They understand them very well. There will be one million people in this country who will be taken off the tax rolls on January 1 when this bill is proclaimed. They understand the effects of this bill. There are 4.7 million taxpayers in this country who will pay less tax. They understand the effects of the bill well. There are 800,000 working mothers, one in 10 of our work force, who will be able to claim child care allowances when this bill comes into effect. There are provisions for moving allowances, employment allowances and increased exemptions for our old age pensioners. They understand the effects of the bill.

There are increased exemptions from $1,000 to $1,500 for single taxpayers and from $2,000 to $2,850 for married couples. All taxpayers having married status will pay less and all taxpayers having single status who earn up to $8,000 a year will pay less. What the people of this country cannot understand is why the opposition wants to talk this bill to death and wants to continue the debate beyond the end of the year without passing those provisions which would benefit many of our taxpayers. The Leader of the Opposition said that many of his Tory friends who like the old act do not understand the bill. It is curious that these tycoons of the Tory party are willing to spend hundreds of thousands of dollars on newspaper advertisements, such as we have seen during the past few months, to oppose the passage of this bill. I guarantee that anyone who spends the kind of money that the Tory friends have spent during the past couple of months understands the bill. Some of these people understand that the tax-free ride they have had is over.

Some hon. Members: Hear, hear!

Mr. Foster: I do not think the Leader of the Opposition is fair to many members in his party when he lumps them in with himself by saying that no one understands the bill. Many members of his party, such as the hon. member for Edmonton West (Mr. Lambert) and the hon. member for Dauphin (Mr. Ritchie), have spoken well, forcibly, knowledgeably and many times. From observing the activities of the opposition, it seems clear that there is no unity of purpose in their opposition to this bill. The tax bill is a package reform measure designed to bring greater equity into the tax system. To split this legislation as suggested by the Progressive Conservative party would have deferred this feature, perhaps indefinitely.

Some 46 full debating days have been devoted to the bill. It has been widely discussed among businessmen and the public, so surely it is well understood by now. Furthermore, let us not forget that we have seen nine years, four Parliaments and three Prime Ministers since the Carter royal commission began its studies of the tax system in Canada. Arguments have been posed to the effect that provincial governments and the business community would need at least a year before they could prepare for the tax changes but I ask you, how can anybody adjust to these changes until they are actually made; until they exist as law, until they are experienced.

Surely there can be no doubt that this legislation is in the public interest. The government has repeatedly and emphatically pointed out that it is prepared to take full responsibility for this bill. The government has indicated that there are several areas which are being actively studied and which will require further action in future years. In particular, the Minister of Finance (Mr. Benson) has mentioned the representation concerning the deemed realization of a capital gain on gift or bequest of property other than cash to charities and other exempt organizations. He has pointed out that capital gains will accrue very slowly after the start of the new system and that amendments made within a year should be quite satisfactory in that regard.

I am especially interested in this matter because I have received representations from several groups and organizations. I believe a change will be needed in the future. However, when we look at the mess that has developed in the United States, and I understand that a bill one-fifth the thickness of Bill C-259 was required to correct the unfair advantage people took of the capital gains provision in that country, we must move cautiously. No organization is going to be affected by this for at least the first year or so. When we make a change in this regard, we should do it carefully in order to avoid the pitfalls which have developed in the United States. The minister also indicated that the deferred profit-sharing plan and passive income provisions will require further action in the future. What we are saying is that to amend the entire Income Tax Act is an on going process, although this bill represents the most massive change that has ever taken place in our income tax law.

Let us concentrate on the measures which are going to have a much more immediate and pronounced effect on the Canadian people. Members are well aware that with this legislation one million low income persons will be taken off the tax rolls and that 4.7 million more Canadians will have their taxes reduced. Focusing on the individual aspects, we see increased exemption for single persons from $1,000 to $1,500 and for married persons from $2,000 to $2,850. Hundreds of thousands of Canadians 65 and over will get tax relief through the new $650 exemption and removal of the guaranteed income supplement from taxation. There are now 1.7 million old age pensioners in Canada and a substantial number of those will pay less tax because of the provisions of this bill. Among the many advantages to the individual, is the $500 deduction for child care expenses and the deduction of up to 3 per cent of income for employment expenses. This child care benefit is not limited to low income families only, but will be available to any family if the wife chooses to work either to supplement the family income or to pursue a career.

• (3:20 p.m.)

Deductions for medical expenses will be broadened to include care in institutions for the physically or mentally handicapped and equipment or devices prescribed by a doctor. In respect of deductible gifts to charity, the allowance is to be increased from 10 per cent to 20 per cent of the taxpayer's income. One of the government's objectives in this tax reform bill was to make a serious attempt to recognize the growing mobility of Canadians and their changing patterns of daily life. The expense of moving from one job to another or the expenses of a student, upon graduating from university, in moving from the college to a new job will be deductible under this bill. These moving expenses will include a wide range of costs including travel, transport or storage of household goods, the cost of meals and lodging for 15 days or less, and the cost of cancelling a lease or selling a home.

Let us now look at some of the more controversial issues in Bill C-259. What about the concessions given to co-ops, credit unions and caisses populaires? The government has actively communicated with these institutions and has come up with a satisfactory approach to their problems. The capital employed concept has been abandoned and co-operatives will no longer be taxed on income from business with members, which is distributed to members in the form of patronage refunds. The limit of deductibility from patronage dividends therefore has been removed. In its place, the government has proposed a 15 per cent withholding tax on patronage dividends in excess of $100 paid to a member in any year. This tax of course would be refundable to the extent that it exceeded a taxpayer's tax liability.

This new approach will have the following results. Recipients of patronage dividends will be treated as before. If the patronage dividend relates to the recipient's business, it will be included in his income for tax purposes. In other circumstances, it will not be taxed. The withholding of tax by the co-operative will permit the government to administer the system efficiently and yet obtain the appropriate result depending on the character of the patronage dividend in the hands of the recipient. This change will provide substantial relief to co-operatives concerned about their treatment under the new act.

In 1970, there were 2,469 co-operatives in Canada constituting a total membership of 1,690,000. I am sure all hon. members on all sides of the House have received many representations from the local co-operatives in their constituencies. The government has introduced an amendment, the effect of which will be to tax the income of a credit union or caisse populaire at the rate of 25 per cent so long as the reserves in excess of those allowed against income do not exceed 5 per cent of deposits and share capital. This will be accomplished by an adjustment of the small business deduction. This special right to use an effective corporate tax rate of 25 per cent might not in itself be sufficient for small credit unions or caisses populaires which would need a reserve in excess of 5 per cent for financial stability. Accordingly, the small business deduction available to other corporations will continue to apply so that a credit union or caisse populaire can build up $300,000 of reserves out of income taxed at 25 per cent whether or not such reserves exceed 5 per cent of deposits and share capital. The government believes that in this way credit unions and caisses populaires will be able to obtain the appropriate entitlement to the small business deduction, and thereby enjoy the benefit of a 25 per cent rate of tax on an appropriate amount of income. This amendment will affect 5,655,902 members in 4,417 credit unions across Canada.

On the subject of capital gain, surely it is clear that such a tax is needed both because it is fair that a levy should be placed on this income and because the extra revenue will

be needed to offset the loss of income from tax reductions in the lower income brackets. However, any gain realized by a taxpayer in selling his home and any gain realized on an item of personal property valued under $1,000 will be exempt. It does not seem too much to ask an individual or a corporation to include one half of capital gains in his income to be taxed at the respective rate, considering all the logical exemptions and concessions which have been made in this regard along with the provision for capital loss deduction. This tax is in effect in every other major western country, and the majority of Canadian people have already expressed their affirmative support on the issue.

Another area of major concern in this bill is the mining industry. We in Canada are well aware of the major contribution that is made by this industry to our national economy. Although the kinds of incentives which have existed in the past are to be changed in the new bill, there are still incentives to ensure that this industry will continue to make its full contribution to our economy. We only have to look back to 1945 and compare the value of the mining industry at that time, when the output was some $500 million as compared with 1970 when it was $5.8 billion, to realize the growth that has taken place. It is expected that this industry will continue to grow and will double in the next ten years. This industry accounts for one-third of Canada's merchandized exports and this takes on added significance because the Canadian economy as a whole is greatly dependent on export trade, as we have learned during these past several months when the United States government imposed a 10 per cent surcharge. Fortunately, this surcharge was not directed primarily at our mineral industry which accounts for 7 per cent of the gross national product.

The proposals which are made in this bill are to continue the automatic percentage depletion allowance until 1976 and then replace it by an earned depletion system. This is done with a view to encouraging companies to continue mining exploration and development. The present three-year tax exemption for new mines will be withdrawn under this bill after 1973, but will be replaced by a system of fast write-offs on assets related to new mines, for example, mining buildings, machinery, equipment and town site facilities. It is also proposed that a federal tax on mining profits be reduced to 25 per cent from the present 40 per cent in 1977 to allow for provincial mining taxes.

Small business will continue to receive special incentives with a low corporation tax of 25 per cent on their first $50,000 of profit. This will be available to Canadian controlled corporations to assist them to grow and create more jobs in our economy. This is actually a $15,000 increase in the allowance on a reduced tax rate from the present tax law of $35,000. Most small businessmen that I have talked with believe that this provision is a most reasonable one.

So, I believe that the course before us this week is to approve this bill in its present form after these many months of continuing debate. The bill represents a balanced attempt to reform our tax system. It provides a capital gains tax at a reduced rate to close many loopholes in the existing tax law and provides a stimulus and incentives to our industries to grow fast enough to produce the 1.4 million jobs that we will require between now and 1975 for our young people entering the labour market. And most of all, it makes provision to give added exemptions to our old age pensioners whom we must provide for in the best possible way.

• (3:30 p.m.)

This bill has reached this stage following one of the most immense consultative processes that has ever been carried out in Canada, from the Royal Commission on Taxation, the Carter Commission, the white paper, further consultations with provincial governments, business, industry and ordinary citizens, to parliamentary committees, one of them travelling across the country. During the past summer our tax experts throughout Canada have had a full two months to study the legislation in detail, and there has been three months of parliamentary debate. The time has come for this Parliament to make a decision and for the representatives of the people of Canada to stand in their place for or against this bill. I intend to stand in my place for the bill.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I am pleased to have this opportunity to take part in the debate, particularly because of the motion that was submitted by my friend, the hon. member for Winnipeg North Centre (Mr. Knowles). However, what concerns me is that I have heard it said time and time again by members on the other side regarding our involvement in this debate that they do not appreciate the role of the opposition on this important matter. I have said continually that it seems to me that members on the other side believe they are the masters of this House and that we are supposed to do as they say. Lately, we have been called the useless backbenchers. It would be well for the members on the other side to be reminded of our role, particularly when it comes to a bill of this magnitude, a bill that supposedly sets the course of Canada's destiny and economic growth. I say "supposedly" because we find that the bill is full of imperfections, and it is our role to give constructive criticism.

Members on the other side have asked on several occasions why we do not submit something and why we do not give them the benefit of our ideas. We know as well as they do that every time we attempt to be constructive with our amendments we are treated with disdain and disregard. This happens not only in the House but in committee of the whole and happened as well in the committee which studied these provisions. I take a very dim view of that, and I resent it when members on the other side tell us continually that we are not submitting reasoned amendments. We are doing so. The government, in its wisdom, believes that we are incompetent and that all of the wisdom in the House is on the other side. Our role is also to make the government behave, and that is becoming extremely difficult these days when we see the arrogance and flippancy coming from the other side.

Some hon. Members: Hear, hear!

Mr. Alexander: What is very important, particularly with respect to this bill, is that we are the watchdogs of the people's interests, and I have said this on a number of occasions. This is our mandate, this is what we have to do. It is not a case of filibustering, it is an attempt to shed

light, an attempt to be constructive and an attempt to give the House the benefit of our wisdom. I always say that this is done for the Canadian people, not for myself, not for my party, not for the opposition and not for the Liberals. It would be well for members on the other side to read Sir Kenneth Wheare on the role of the opposition. I was pleased to note that the hon. member who just preceded me was at least relevant. Yesterday we heard the maniacal ravings of several members whose comments were meaningless and irrelevant. They spoke just to berate the opposition and to harass us, and they were supported by asinine interjections from their gleeful but immature supporters.

I am interested in the motion put forward by the hon. member for Winnipeg North Centre because it affects some five million people. This is where the action is. This is what the Senate Committee on Poverty is all about—five million people who are worried about the steady decrease in the value of the dollar. They are concerned about the cost of living which is continually rising, and all of this when we have a gross national product of $90 billion. Sometimes I wonder why we continue this debate because we have been told—and this is becoming a classical joke around here—that some lawyers would like this bill to be passed immediately because they have found some 145 loopholes in it.

I am interested in the proposal made by the hon. member for Winnipeg North Centre because what he is really talking about is taxing wealth. In his submissions he tried to impress the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) as well as the Minister of Finance (Mr. Benson) himself and all his colleagues on the other side that what we are doing right now is living in the 1920's because, as was pointed out so admirably yesterday—and it was the first time that I heard this brought to the attention of the House—in the late 1920's the exemption for single persons was $1,200 and for married people it was $2,400. Here we are on December 15, 1971 and the exemptions for single persons amount to $1,500 and for married people they are $2,850. What progress is that? It is ridiculous. It is utter nonsense. That is why I believe that there is great merit in the motion of the hon. member for Winnipeg North Centre.

The motion of the hon. member amends section 117 (1) which, in effect, says that a person who has a taxable income of $500 will pay 17 per cent. What I find so attractive in the motion is that it would take $75 off a person's tax; in other words, he would be paying $10 in tax. Then, it is stated throughout paragraphs (b) to (m) that $75 will be taken off the immediate figure relating to the tax payable in the first instance without the percentage. What it really means is a $75 across the board decrease in taxes. What is important is that it affects those who are most in need. This is why I find this system more attractive than the system which the parliamentary secretary praises so highly, that is the deductions system.

Deductions, with all their merit, do not improve the position of those in the lower income brackets. The parliamentary secretary is interested in the scheme because, if I read *Hansard* correctly, he says that Carter himself would have liked a system of deductions together with a tax credit scheme. If I am wrong, the parliamentary secretary will correct me, but let him check *Hansard*. Even Carter found merit in the system. This is why I am interested in this motion. It is a legitimate, sincere attempt to alleviate the suffering of some 5 million people who, because of numerous factors and I do not need to repeat them, are living on or below the poverty line. It would give them some relief. It would also stimulate the economy because of the amount of tax cut involved. But more than that, it is a fair method to approach this very controversial subject. You have it right across the board.

• (3:40 p.m.)

We are legislators, Mr. Speaker, and we are human. Some people may not really believe that we are human. Although perfection is rarely a human quality, one would expect that when a government introduced legislation of the magnitude of this bill, breaking new ground, the bill would be about as perfect as possible. Mr. Speaker, this monstrosity is far from perfect, as the government well knows. This fact is proven by the several amendments it has produced for our consideration and, what is even more astounding, by the announcements that amendments affecting vital portions of it are to be brought in after the bill is passed. This is where I take issue with the government. The government tells us, "Pass the bill and restore confidence in the economy." I ask myself how is this possible? If the minister is going to introduce significant amendments subsequent to the passage of the bill, how in heaven's name can any one know how to face the future? Yet the government has the unmitigated gall to continue to tell us to pass the bill, and that everything will be all right. As my hon. friend from Kent-Essex says, "Pass now and change later." This is a ridiculous approach.

In its arrogance, the government introduced closure. I don't care if anyone wants to call it time allocation. I think that is the wrong expression. It is closure, plain and simple. So far as I am concerned, we did not have the opportunity to discuss this bill in the way that it should have been discussed. We know that a vast number of sections have not been perused by Members of Parliament. I see the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) smiling—

Mr. Mahoney: Why don't you talk about them instead of bellyaching?

Mr. Alexander: —in his usual, genial way. But after that I am afraid I will have to continue to tell him to please be respectful when the hon. member for Hamilton West is speaking. That is as nice a way as I can put it, without having to tell him to shut his mouth, as I did earlier. This was a disgraceful statement for me to make and I apologize for being carried away.

At a time when we should be dealing with legislation that would ensure economic growth, full employment, confidence in the economy, and appreciation of the United States' position regarding its domestic problems, we are called upon to deal with a bill that seemingly ignores all of these things. Such an attitude, which is dangerous and irresponsible, is not acceptable on this side of the House because, primarily, the Canadian people expect and demand more maturity. Such an attitude borders on insanity, and raises doubts about the ability of the government to deal with a matter of such magnitude. The

Minister of Finance has urged that we push this bill through because at least many of the sections will not come into effect until 1976. He has also said that none of the important changes come into effect until 1973. Then I ask, what the heck is all the rush about? If many of these sections do not come into force until 1976, and if none of the important changes come into effect until 1973, why all the rush? It is political expediency. That is the reason.

Why not accept the sensible, responsible and reasonable alternative put forward by the Leader of the Opposition (Mr. Stanfield), which would solve the problem? Members of the government contend that confidence cannot be built up in the economy if the whole nation is going to be hung up wondering what the government is going to do. Their philosophy is trial by error. They say, "Let us try it. If it is an error, we will fix it up." Mr. Speaker, that is no good. As the Leader of the Opposition said, we need time to study and debate the more incomprehensible sections of this monstrosity of imperfection. I would like to emphasize that the bill is a monstrosity of imperfection, and to realize that one only needed to listen to the hon. member for Oxford (Mr. Nesbitt) read one little subclause which took him about three minutes to read. I doubt if any member of the House understood it as he was reading it, or would be able to understand it even after studying it for an hour or two hours. It is no wonder that tax lawyers say they have already discovered 141 loopholes in the bill. And, Mr. Speaker, they have just started to study it. Why the rush?

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

Mr. Alexander: There will be no questions from that side and no answers from this side because of the irresponsible attitude you people took this afternoon.

Mr. Mahoney: We want to discuss the bill. We haven't much time, Let's talk about the bill.

Mr. Alexander: You are testing my patience. Mr. Speaker, the parliamentary secretary has a loveable character, but he is testing my patience.

Mr. Crouse: There is a little too much arrogance from that quarter.

Mr. Alexander: This bill is beyond the immediate mental digestive system not only of Members of Parliament but also of tax accountants, lawyers, businessmen, and all those whom the bill directly affects, namely, the Canadian people. But the government is determined to ram the bill down our throats in the same manner as Christmas turkeys are being force fed for the holiday table. It is a shame, Mr. Speaker.

What could happen if the manufacturers of airplanes and motor vehicles accepted this imperfection theory? We owe them undying gratitude for the fact they do not take that view. What would happen if they hurried something into production knowing it was imperfect? Such an attitude is unacceptable, dangerous and irresponsible. Yet that is the attitude the government wants opposition parties to accept. The government wants us to pass something that is imperfect, something that is dangerous, something that is unknown, the end result of which is beyond anyone's comprehension. Then the government says, "When we have tested it out on the Canadian people"—it is a terrible thing to use the Canadian people as guinea pigs—"we will see just what we can do in order to alleviate their suffering." The government says, "Damn the consequences; pass the bill; let the Canadian people be the guinea pigs."

The other day the Minister of Finance said:

> The only way imperfections in this legislation will come to light is through the actual experience of taxpayers and their advisers reading and using the new act in relation to particular transactions and situations.

That is a terrible thing to tell the Canadian people. I know we are not perfect because we are human but, as I said earlier, the Canadian people expect the government to bring in something more nearly perfect than this. The proof is in the pudding. I forget how many amendments the government has already introduced. I think there were 135, and members opposite can check me if I am wrong. How many more amendments will we get in January? How many more amendments will the other place bring in, if, in fact, it is allowed to bring in any? What nonsense is this, Mr. Speaker? The government says we do not have to be concerned about many of these sections until 1976, and that we do not have to be bothered with many of the important ones until 1973. The theme of my presentation this afternoon is to ask why the rush, Mr. Speaker?

• (3:50 p.m.)

Mr. Haidasz: Lower the taxes as of January 1, 1972.

Mr. Alexander: If the Liberal government were really concerned about the deleterious effects of poverty, they would not have removed the cost of living escalator clause from the Old Age Security Act last winter. They would have inserted an escalator clause in such legislation as unemployment insurance and FISP, and they would have made allowances for an inflationary upswing to be reflected in personal tax exemptions. The government profits by inflation; poor people lose. At no time has the Liberal government seriously tried to right that imbalance and they are not doing it now. The hon. member for Winnipeg North Centre is trying to correct that imbalance. The government says something about getting the bill passed so that we can give the poor people a break. If a man on the poverty line gets an $8 break that does not help much when he is facing inflation and the high cost of living with the reduced value of the dollar. But the government goes around spreading that false propaganda.

Reuben Baetz pointed out to the annual meeting of the Canadian Council on Social Development recently that:

> An unfair taxation system can give to the poor with one hand through transfer payments, and take away from their already inadequate income with the other.

The present tax reform bill does not remove the unfairness to which Mr. Baetz refers. I like this amendment because it shows some credible movement by the opposition to correct the situation. We still have people being forced to pay tax on incomes well below the generally accepted standards. If we are going to beat this problem of poverty, surely we have to be more credible than this government is attempting to be. What progress is there in having exemptions of $1,500 single and $2,850 married in

1971 when we had the same thing in 1920? It is a retrograde step. The renegade report on poverty has said that 54 per cent of the income of poor people goes in payment of taxes, direct and indirect. When social security contributions are included it becomes 60 per cent of income. By comparison, those with incomes over $10,000 pay only between 37 and 38 per cent of their income in those same taxes. The tax reform bill does not even begin to remedy these anomalies.

There are a lot of good things in this bill but the government wants to railroad it through. They have talked about 50 days of debate but surely, Mr. Speaker, we are going to have to answer for this imperfect piece of legislation in another five or six months. I do not understand the rush when at the same time the United States is injuriously affecting us by the monetary policy to which we do not have the answer.

Mr. Gillespie: Slow down.

Mr. Alexander: That is the Minister of Science and Technology (Mr. Gillespie). It is amazing how these ministers suddenly become experts. Something tells me that when the plug is pulled a lot of my friends over there will not be back.

Mr. Lefebvre: Don't look at me!

Mr. Alexander: Your greatest contribution has already been made. These basic exemptions which are raised from $1,000 to $1,500 for a single person and to $2,850 for a married couple do absolutely nothing for the taxpayer.

An hon. Member: Speak up, I can't hear you.

Mr. Alexander: Let me read the balance of this, Mr. Speaker. I only have three or four minutes left and in this way I will be able to put my remarks on the record. These exemptions will not even give the poor the same benefits from personal income tax exemptions that they had in 1949, for inflation has eroded more than the extra dollars they have been granted as tax exemptions in the intervening years. If the personal exemptions had been increased solely to match the increase in the consumer price index since 1969, personal exemptions would now stand at over $1,700 for a single person and more than $3,400 for a married couple. Through these changed exemptions, then, the position of the poor will not even be restored to its 1949 state, let alone be improved.

The erosion of the benefits of personal income tax exemptions through inflation has been pointed out frequently. I have often listened to members of the government and I quote the hon. member for Don Valley (Mr. Kaplan) who on June 22, 1971 said:

> —the government has done everything it can in the way of tax reform with respect to poverty—What we have done is to assure that virtually no one who can be described as being in a condition of poverty has to pay income tax.

It does not take much knowledge of poverty in Canada to realize that these claims are completely erroneous. The income tax exemptions that are to become effective in 1972 do not even reach the Economic Council of Canada's poverty line for 1969. To see this, it is only necessary to turn to Table 5 of the Summary of 1971 Tax Reform Legislation: a family of four with an income of less than $4,420 is just under the 1969 poverty line, yet a family of four with an income of just $4,000 in 1972 will pay $73 in tax. Now, we are talking about poor people. The new exemption levels are also below many social assistance standards.

I could go on and on but I shall conclude by saying that we all want tax reform which does not stifle a person's initiative and does not stifle economic growth. In this bill we do not have it. The hon. member for Winnipeg North Centre has proposed a motion that would give some credible alternative with which to attack poverty—perhaps a person with a taxable income would pay $10 on $5,000 rather than $85. Surely, all men with sincerity and concern in their hearts can support this as I do not have any hesitation in supporting the motion of my friend, the hon. member for Winnipeg North Centre.

* * *

[*Translation*]

THE ROYAL ASSENT

Mr. Deputy Speaker (Mr. Laniel): I have the honour to inform the House that I have received the following communication:

GOVERNMENT HOUSE

CANADA

15 December 1971

Sir,

I have the honour to inform you that the Honourable W. F. Spence, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 15th day of December, at 5:45 p.m., for the purpose of giving Royal Assent to certain Bills.

I have the honour to be, Sir, Your obedient servant,

Louis Fremont Trudeau
Brigadier General
Assistant Secretary to the
Governor General

[*English*]

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed consideration of the motion of Mr. Benson for the third reading of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, and the amendment thereto of Mr. Knowles (Winnipeg North Centre) p. 10464.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, there should not be anyone in this House who is not prepared to

accept the amendment introduced by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles). It was a pleasure to listen to the speech of the hon. member for Hamilton West (Mr. Alexander), and I think the points he made were of concern to everyone in this country. I am sure that everybody is concerned about reducing the burden of taxation of low income Canadians. In many cases it appears that this government is only interested in saying "Merry Christmas" to them and forgetting about the consequences which may flow from the measure. I think it would like to regard low income Canadians as invisible citizens, so that it would not have to recognize their problems.

Yesterday was a banner day in the House of Commons. The hon. member for York Simcoe (Mr. Roberts) stood in his place and cried about the type of reporting carried on by the various newspapers across the country. The *Globe and Mail* for December 13 carries this report about what the hon. member for York Simcoe said at Thunder Bay:

> Mr. Roberts recalled the long wrangle over tax reform that culminated last week in passage of the new tax legislation under closure, and said that it does not represent real tax reform at all. He said the Government has no concept of what sort of economy or industrial base it wants 10 years from now, and without that larger picture, real reform is not possible.
>
> He said the same thing applies to the Competition Act and the development of policy on foreign investment.

I think that journalists should investigate to ascertain if these statements appearing in the *Globe and Mail* were actually uttered. Were these statements appearing under the by-line of *Globe and Mail* reporter, John Slinger, actually made at Thunder Bay, because I cannot disagree with the hon. member opposite in any way. I was surprised yesterday to see the hon. member stand up in the House and cry for about 15 minutes over something that was reported in the press. As a rule, when people spend that much time crying over something appearing in the press, there is more truth than fiction in the press report. It was most unfortunate seeing the hon. member crying and the blood running all over the nice green carpet. Somewhere, somebody must have gored him. Possibly he is a little worried about his present position as parliamentary secretary.

The amendment proposed by the hon. member for Winnipeg North Centre would mean, if accepted, that people with taxable incomes of $500 would pay about $10 in income tax, as opposed to the $85 that they will pay under the government's proposal. I am sure that the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) will be reasonable. If this amendment is accepted, many people in his constituency will be affected. If the House accepts this amendment, we shall not need to debate it any further and we could move on to more important items. Perhaps the government will wish to introduce some more amendments. If the parliamentary secretary will announce that the government will accept this amendment, we could dispose of this item and go on to debate something else.

Mr. Mahoney: Mr. Speaker—

Mr. Paproski: He is going to accept; he is going to accept.

The Acting Speaker (Mr. Laniel): Order, please. The Parliamentary Secretary to the Minister of Finance rises on a point of order.

Mr. Mahoney: On a point of order, Mr. Speaker, perhaps the hon. member would like to indicate the additional amendment he has in mind that would be more important than the one before the House now involving a half million dollar revenue reduction.

Mr. Skoberg: Are the many thousands of people in Canada who would be affected not important? Remember, the government would be doing this just before Christmas. We, on this side of the House, think that the amendment, if accepted, would bring about true reductions in the taxes of taxpayers. This would be a progressive measure. The income tax law would become more progressive. People earning lower incomes would pay less tax, no matter which way you look at it.

I admit that there are certain areas the parliamentary secretary is prepared to look at; I give him due credit for that, and for looking at one area which I shall mention shortly. However, unless he gives consideration to people who most urgently need it, he will be merely playing the big money game. So far, little consideration has been given in this taxation proposal to some people. I am sure that there is no need for me to expand further on the points which have been ably made by my colleague for Winnipeg North Centre as well as by other members who have spoken about this type of tax reform. Many of us agree that the present system really will not bring about tax reform. We suggest that laws and regulations must be framed to protect the individual, and our aim should be to bring about equity in taxation. The parliamentary secretary believes in playing with words and figures, as if that will bring about equity in taxation. Many of us do not think it will bring about reform.

An hon. member yesterday or the day before talked about the need for interpretive regulations. Yesterday, as well, the Prime Minister (Mr. Trudeau) said that a decision on foreign ownership was in the making or available, and that the government would introduce a policy in this regard. If the cabinet has made such a decision, it certainly has not been made public. We heard hon. members opposite talking about interpretive regulations. They would be, so to speak, the rules of the game, because without such interpretive regulations the vast number of pages of the bill before us would mean absolutely nothing. So far as I am aware, those interpretive regulations have not been introduced.

If one looks at the transcript of the hearings of the Banking, Trade and Commerce Committee of the other place, one will see that over there they have been able to get to the Minister of Finance so to speak and do a little horse-trading. If the people of Canada had realized that this type of horse-trading had taken place, possibly they would have asked the other place to give consideration to special items that the people may wish to see passed. According to the transcript of the December 13 hearing of the Banking, Trade and Commerce Committee of the other place, the Minister of Finance, after squirming somewhat, finally had to admit that the government contemplated bringing in further amendments after the beginning of the new year and that these would meet

some of the concerns of certain people. However, on examining more closely the December 13 transcript, I wonder whether any really worth-while and meaningful debate has gone on in the other place on this subject. Have the concerns of people on the subject of tax reform really been considered? Also, it will be interesting to see whether the debate in the other place after Friday lasts one day, or perhaps two days. Really, this is just a variation of the old horse-trading game. The minister is playing Russian roulette. He is holding a revolver, and one chamber is loaded. I think he is wondering whether he should pull the trigger and risk firing the gun. It will be strange to see what happens over there.

I agree that we can accept many parts of this bill. Naturally, there have been improvements in many areas. Nevertheless, the people I have heard from and people who have written letters still think that the public has not been adequately informed of the nature of the bill. Many do not know of the adverse effects it will have upon the individual, upon groups and on corporations. Since the government has decided to use closure, the public will never know the truth about the bill until it is too late. A credible government knows that it must be concerned about the public. The people ought to have the opportunity of knowing what the bill is all about and, in particular, what the amendments to the bill are all about. These amendments go to the very guts of the bill. Unfortunately, the public has not been adequately informed about the effects of many areas of this bill.

The people ought to have been informed, but they have not been. At the very time when this nation could be and should be one of the richest nations in the world, and when it is in a position to provide for decent living standards for all in Canada, the government has refused to recognize that basic exemptions ought to be increased and that the tax credit system ought to be adopted. My colleague from Winnipeg North Centre spoke on this yesterday. The average taxpayer is chiefly concerned about certain real, practical problems, and these are the areas to which I should like to refer briefly this afternoon. It is in this connection, I believe, that the government should have acknowledged there was a reasonable basis to the arguments put forward from this side of the House and that there was certainly room for improvement. For example, the bill still allows for only $150 or 3 per cent of a taxpayer's aggregate income with respect to tools used in the course of employment, and so on. Naturally, I shall not attempt to discuss the various sections in detail on third reading. But surely the government could have raised the allowance to $500 at least. We all know that $150 is a mere token. At one time I thought we had succeeded in getting through to the parliamentary secretary—that we had been able to impress on him the importance of making the allowance $500 instead of the measly token figure which has been adopted.

• (4.10 p.m.)

I would be remiss if I did not congratulate the parliamentary secretary and those responsible in the department for amending the bill so as to make better provision for certain railway employees whose work takes them away from their homes or home terminals. Those affected will be very pleased to know that this amendment has been brought in and accepted, particularly since they have not enjoyed the benefit of any remission of taxation in this area whereas other people in similar situations have. The point has been a most contentious one for many years and again I congratulate the minister, the parliamentary secretary and his officials for bringing in this amendment, at least.

We sought to impress upon the government that there were still many people who did not receive the benefits of tax exemptions to which they are really entitled. They include carpenters, repair men and virtually all those who are obliged to travel long distances to obtain or retain employment. Whatever may have been the case in the past, the fact is that today a great many people have no choice but to travel long distances to obtain employment or keep the employment they have, due to seniority clauses and so on. The parliamentary secretary suggested that the collective bargaining approach might be used to place these people in a more equitable position. He said the fact that people lived miles outside a city and had to drive long distances to work did not mean their transportation costs should be allowed as deductible expenses. The hon. gentleman failed to realize that today large numbers of people have no idea how long a particular job will last. They cannot rely upon employment being available to them at the same place week after week. Does he consider that they should pack up and move every time they obtain new employment so as to be near their place of work? The whole subject of the mobility of labour, and mobility grants under certain conditions, would need to be re-examined. We in this party suggested that the type of transportation costs to which I have referred should be allowable for deduction, certain safeguards having been provided. And I am sure regulations could be devised so as to prevent a misuse of this concession, though I recognize this must be one of the aspects about which the government is concerned.

When we are considering the subject of allowable expenses, we ought not to overlook the important part played by individual taxation offices across Canada. The trouble is there is no set standard as far as these offices are concerned. To support this contention I need do no more than quote briefly from a letter which my hon. friend from Temiskaming (Mr. Peters) has received from Capreol. The letter points out that in the Capreol area a flat arbitrary maximum allowable rate of $1.75 per meal has been set by the local taxation office. This rate per meal has been in effect for several years without regard to the substantial increase which has taken place in the cost of living. The writer of this letter goes on to say:

> It is an established fact that the total increased cost of living in the north with respect to housing, fuel, food, clothing, etc. is greater than it is elsewhere. This total extra cost is reflected in the price of food purchases and restaurant meals at away from home terminals. Merchants and restaurateurs in the north of necessity base their prices on these total higher costs, not merely on the higher food prices.

The situation would not be so bad were it not for the fact that the Department of National Revenue invariably uses a double standard when assessing allowable deductions for meals. Invariably one rate is set for business people or executive types and another for the men in overalls. I am pleased to note that provision is now being made for exemptions of this type affecting broader

classes of taxpayers. However, the fact remains that it is necessary to bring the district taxation offices into the picture, instructing them to set a basic rate which is at least an acceptable one, and abandon the double standard which they have been using in the past.

Another point on which a good deal of concern has been expressed relates to severance pay and its treatment by taxation officers. I raised this matter in the House, and the parliamentary secretary was good enough to acknowledge it, as reported at page 9217 of *Hansard*. He said, and rightly so:

Ordinarily severance pay is regarded as income under the Income Tax Act, and as such should be included in the computation of income. I am aware that in certain cases special regulations or legislation have been passed, but under the general income tax law this is regarded as income from an employment and is therefore included as taxable income in the year in which it was received.

There is probably no room for argument as to the interpretation which the parliamentary secretary placed on this section of the act. At the same time, he did admit that certain regulations have been passed which take care of certain of the difficulties which arise in its administration. I suggest to the parliamentary secretary that he let the Minister of Labour (Mr. Mackasey) know that thousands of people across this land today are being subjected to the worst type of discrimination as far as severance pay is concerned. They are people who have built up some type of nest egg, whether as a result of negotiation or as a matter of arrangement between themselves and their employers, in the belief that it would provide them with funds for retraining, if that should become necessary, or at least for enabling them to live until they can get back again into employment. Unfortunately, the parliamentary secretary may not be able to convince the minister that severance pay should not be regarded as earnings—that it should be considered, really, not as a deferred wage, but as a pension. Right now, people are using up their severance pay before they can draw one nickel in unemployment insurance benefit. Many go for a year or more without the benefit of the unemployment insurance payments to which they are really entitled.

I should like to conclude by saying all of us in this corner of the House believe that the amendment put forward by my hon. friend from Winnipeg North Centre is a realistic one. It is not an idealistic proposal, but a realistic effort to bring about a needed reform. Tax credits can be used to the benefit of the people of this nation. They can be used in such a way as to ensure a more equitable distribution of wealth, a more equitable system of taxation. I believe that if the government would really live up to what it believed to be right, deep down, and not merely listen to what the economists say, they would accept the amendment, because it is a just one, intended to bring about genuine reform instead of merely following the old rhetoric we have heard so often.

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, it is a most happy occasion for me to participate in the debate with such a genial audience across the way. I am happy to take part in the discussion in this final stage as we enter third reading, partly because, as a member of the finance committee, I have been involved in this exercise right from the beginning. I should like formally to record my views with respect to two members who served on the committee, two members that the Minister of Finance (Mr. Benson) singled out when he introduced the debate on third reading. He referred to the hon. member for Gatineau (Mr. Clermont), who was chairman of our committee, a man whose patience, judgment, stamina, and above all good sense, carried us through a difficult, complicated and lengthy process. The other member he singled out was his own parliamentary secretary—not unnaturally—the hon. member for Calgary South (Mr. Mahoney).

• (4:20 p.m.)

Some hon. Members: Hear, hear!

Mr. Gillespie: The hon. member for Calgary South, as those of us who have participated in this debate since September will recognize, has carried this difficult, complicated bill through the House with considerable ability. What I should like to deal with in my remarks this evening are some of the things that are being said by members of the opposition. The hon. member for Hamilton West (Mr. Alexander) presented what has become or is becoming one of the major tactical positions taken by the opposition. The question he posed was: Why the rush?

In dealing with this question, I should like briefly to review some of the tactics opposition critics have used over the course of this lengthy process, one which started in this House of Commons over two years ago. For those who want to carry it back beyond that period outside of Parliament, it was nine years ago when the Carter commission was formed. However, I want to deal in my remarks only with the process as it relates to the House of Commons itself. I think we should recognize the tactics of the opposition for what they are. They have changed a number of times over the course of this two-year process, and it might be worth examining and considering them, and perhaps exposing them for what they are. The first tactic seemed to be, as I reflected on the record and consulted my notes, one of confusing the public, of suggesting that the white paper was a bill. The tactic was to get people to write in saying "Withdraw the bill". They were speaking of the white paper as if it were a bill.

The Leader of the Opposition (Mr. Stanfield), perhaps inadvertently, contributed to my mind to this particular suspicion. He said "Withdraw the white paper". At the same time I am happy to note that his chief financial critic, who was a hard working member of the committee, was not so taken in: he recognized that the white paper was a white paper, and that the process of white paper discussion was to put it out to the public and to listen to the views of the public and of others. But the initial basic ploy was to suggest that this was the fixed position of the government on tax reform, that in effect it was a draft bill that was unlikely to be changed in any important detail.

That was the position of the Conservative opposition for most of early 1970 and mid-1970. Then the tactic changed, perhaps partly because of the leadership given by their chief financial critic, the hon. member for Edmonton West (Mr. Lambert). He recognized the white paper as a process—perhaps not immediately; he was a little slow on the uptake, but he was very fast for the chief financial critic. It seemed to me that he then started to push the idea that

the government was going to try to ram this thing through. Getting away from the confusion tactic we now get to the ramming through tactic. His leader picked this one up, and I think one might say that his leader has preempted the ram. I think we might describe it as the Stanfield ram.

I shall have more to say about the Stanfield ram, but over and over again we have been hearing this expression about the government trying to ram things through. I remember the hon. member for Edmonton West saying on one occasion to the committee, when the committee decided that it was time to bring its hearings to some sort of orderly close, that we were trying to ram things through. The hon. member will remember that we started our meetings early in the year. The Minister of Finance appeared before the committee, as I recall it, on January 15. He again started to accuse the committee of ramming something through when we decided that the public hearings before the committee should terminate early in July.

Mr. Danforth: When the government decided, not the committee.

Mr. Lambert (Edmonton West): The message came through.

Mr. Gillespie: That was the tactic, but it was a false tactic. Let us look at the record for a moment. I know many hon. members have made this point, but I think it is worth making again.

The Acting Speaker (Mr. Laniel): Order. I hesitate to interrupt the minister, mainly because I should have said this while the hon. member for Moose Jaw was speaking, but I think I should invite hon. members who are participating or who will participate in the debate to read the remarks in *Hansard* of Mr. Speaker while he was in the Chair yesterday, as reported at pages 10470, 10471, 10472 and 10473, at which time he invited hon. members to confine their remarks as closely as possible to the amendment that is before the House at this time.

I am sure all hon. members will agree with me when I say that the rule of relevancy has not been closely applied by the Chair either in the House or in committee during this debate. But we have now reached third reading, having already had a two hour general debate on the motion. An amendment has been voted on and there is now before the House another amendment. If hon. members are going to reopen the general debate on the bill every time an amendment is moved, this will make it very difficult for the Chair to apply the rule of relevancy. Since I did not bring this point to the attention of other members when they went beyond the scope of the bill the Chair does not want to be unfair to the minister, but I do think that my remarks should be taken as an invitation to be relevant.

Mr. Gillespie: Mr. Speaker, in your own inimitable way you have put the point gently and forcefully and I, of course respect your direction in this regard. Because I had not fully developed my remarks, perhaps I might have led you to believe that I was not keeping to the point. Let me hasten to add that I am very much concerned with the amendment and with the position taken by the opposition, as summed up in the words of the hon. member for Hamilton West—"Why the rush?" What I want to try to do is to deal with that because it does bear directly on the question whether this bill should be referred back to committee of the whole House or rather should be finally dealt with on third reading. Therefore, may I just continue to highlight very briefly the record. I mentioned that the hon. member for Edmonton West stated we were trying to ram things through in 1970.

[Mr. Gillespie.]

• (4.30 p.m.)

Mr. Paproski: Irrelevant, Mr. Speaker.

Mr. Gillespie: No, it is not. He found difficulty in coming to terms with the committee report. He did not know whether to vote for it or not. He decided not to. He rushed to a press conference in Victoria and said this was all a sham. Those are his words. He said that the government had made up its mind. That was over a year ago.

Mr. Paproski: Those are falsehoods.

Mr. Gillespie: They are not. They are on the record. The point I am trying to make is that throughout this whole debate the opposition tactic has been that "the government is trying to railroad this through. Give us more time. Let's go back and look at it in detail". I hope to expose some of the transparency of this position in some of my later remarks.

The budget debate last June took place some eight months after the committee filed its report in the House. There had been considerable time taken by various interests throughout the nation to put their points to the Minister of Finance (Mr. Benson). When we got into the debate, we saw the opposition again reveal its dilemma. They were not sure whether they should react favourably to the bill that was presented to the House in June and take credit for the changes in it or whether they should criticize it. Those of us who were sitting on this side of the House that day well remember the consternation on the faces of members opposite. They wondered what they should do and how they should react. The summer recess definitely saved them.

Some hon. Members: Oh, oh.

Mr. Gillespie: So much did they take shelter in the summer recess that some of them even forgot to look at the bill. Some even suggested they did not receive the bill on July 12.

Mr. Danforth: That is correct; only the government members received it then.

Mr. Gillespie: Check the record. It was delivered to the offices of your leader and your research staff on July 12. The truth hurts.

Mr. Paproski: If the shoe fits, you know what.

Mr. Gillespie: When they saw the bill last June, the changes effected in it and saw the influence which the committee had on the bill, they worried because the participatory process was being legitimatized. Participation is not part of the character of the official opposition. It is not part of their tradition. The participatory process is not a part of their tradition.

Mr. Paproski: You tell that to the people in the next election.

Mr. Gillespie: I am delighted to see members opposite show some interest in my remarks. They have come to life.

Mr. Paproski: Who wrote this stuff? Was it you, Hoot?

Mr. Gillespie: The details of the bill were made clear in June of last year, over six months ago. The bill was published and distributed on July 12.

Mr. Danforth: To the government members.

Mr. Gillespie: What did the Conservative members say when they came back in September? They said we were going to ram it through. The Stanfield ram came out to lead the flock.

Mr. Paproski: That is great stuff. We will use that in the next election.

Mr. Gillespie: You might need it. You may need more than that.

Mr. Lambert (Edmonton West): He is rehearsing as a straight man for tonight.

Mr. Gillespie: What about this debate? By Friday we will have spent over 50 days of parliamentary time and yet we are accused of ramming it through. We spent 12 days on second reading and 32 days in committee of the whole and they want to send it back to the committee.

Some hon. Members: Shame.

Mr. Gillespie: That does not include the six days we spent on the budget debate last June. I think this brief review of the record shows the opposition tactics for what they are. They have been aimed at trying to embarrass this government, to build up some concern, to avoid the substance of the bill and to suggest that the government is ramming it through with undue haste.

Mr. Paproski: Shame.

Mr. Gillespie: According to the tacticians opposite, that is bound to create concern. The tacticians opposite also hope to cover up the disagreements within their own party.

Mr. Paproski: Irrelevant, Mr. Speaker.

Mr. Gillespie: How do you feel about the capital gains tax?

Mr. Paproski: Who?

Mr. Gillespie: You. This man is behind his leader. His leader supports the principles of the capital gains tax.

Mr. Paproski: You are right.

Mr. Gillespie: All members of the Conservative party do not support it.

Some hon. Members: Oh, oh.

Mr. Gillespie: Are you telling me that they all support it? The hon. member for Hamilton West (Mr. Alexander) asked, why the rush? He demonstrated more stamina by speaking for 20 minutes than he did perceptiveness. He is known for his persuasive powers, but they did not come through this afternoon. Nor have the persuasive powers come through from the other side because, Mr. Speaker, the tactic has been wrong. The tactic too often has been cynical. It has been aimed at creating uncertainty rather than diminishing it. A week ago, when the Leader of the Opposition brought forth his spit proclamation—

Mr. Lambert (Edmonton West): Spit it out.

Mr. Gillespie: —split proclamation amendment. The split personality of the opposition has bothered me. He said, as recorded at page 10,272 of *Hansard*:

> I agree that what I am proposing will involve some uncertainty in the business world and among taxpayers as to what will eventually be worked out and adopted as a long-range tax plan for this country.

Mr. Béchard: Who said that?

Mr. Gillespie: That was a statement by the Leader of the Opposition.

Some hon. Members: Shame.

Mr. Danforth: I challenge the hon. member to read it in context.

Mr. Gillespie: I read it. He acknowledged there will be uncertainty until this bill is passed. He then went on to say his particular provision would create uncertainty.

Mr. Mahoney: Irresponsible.

Mr. Gillespie: On Wednesday, December 8, at 3.25 p.m., the Leader of the Opposition moved his split-the-bill amendment. It was a complicated idea, Mr. Speaker. One of the things he wanted this House to do was keep the federal government in the estate tax field. This was quite clear to those who have read the record. What did he do at 8.25 p.m.? He stood up and voted that estate taxes be eliminated as a federal responsibility.

• (4:40 p.m.)

Some hon. Members: Oh, oh.

An hon. Member: Who did that?

The Acting Speaker (Mr. Laniel): Order, please. Again I hesitate to interrupt the hon. member. I hesitate because I should have done it before when previous speakers were talking. Of course I admit that the minister did not have time to follow my advice in respect of reading what Mr. Speaker said yesterday about the rules of relevancy. The minister, however, is really placing the Chair in a very embarrassing position because other speakers will come along and ask for lenience. Then, it will be impossible to apply the rules of relevancy. At this time the debate is on the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles) and is related only to personal income tax. I do not wish to be unfair, but I do not think the minister has said one word about the amendment.

Some hon. Members: Hear, hear!

Mr. Paproski: Sit down big mouth.

Mr. Deachman: Mr. Speaker, concerning the remarks you have just made in respect of the ruling of Mr. Speaker yesterday, it is true that the amendment now before us refers to personal income tax and exemptions, but the motion is a motion to refer the entire bill back. The motion to refer the entire bill back would affect every single section of the bill.

Mr. Lambert (Edmonton West): Come on.

Mr. Danforth: Come on.

Mr. Deachman: What we are arguing, Mr. Speaker, is the question of whether the whole bill should stay before us, including that section.

Mr. Paproski: You are only a whip. What do you want to do, take over the Chair?

Mr. Lambert (Edmonton West): Mr. Speaker, on the point made by the chief government whip, who now sets himself up as an aspiring arbiter of the rules, I suggest this hon. member should know better. It is elementary that a motion of referral back with a direction to reconsider a particular clause contains a limitation on the committee of the whole to consider the clause in question only and nothing else. The whole thing is a referral back with that particular question to be considered. The hon. member does not know the form of a third reading motion. If he wished to understand the procedure, all he would have to do would be to study the rules. Then, he would learn just what is meant by this procedure. I would certainly help and assist him in any way. This is an invitation to the minister to reconsider section 117. That is the sole purpose of the amendment of the hon. member for Winnipeg North Centre.

Mr. Paproski: How do you like that, Deak?

The Acting Speaker (Mr. Laniel): Order, please. I do not wish to become involved in a debate with hon. members on the rules. However, I might be permitted to say that the point raised by the hon. member for Vancouver-Quadra (Mr. Deachman) might be relevant in his mind, but I should point out to him that the Chair has another interpretation of the rules of the House. I might return at this time to the paragraph the hon. member did not have time to read from the remarks of Mr. Speaker yesterday. As recorded at page 10471 of *Hansard* Mr. Speaker said:

> I agree with the hon. member in principle, but yesterday when we commenced debate on third reading of this bill an amendment was moved. It had to do with farming problems. Some speeches made after that amendment was moved made very few references, if any, to the amendment. It may be that hon. members who at that time took part in the debate on third reading should have tried to limit themselves to the amendment before the House. I repeat that that is a rule of the House. Debate should be relevant.

This might also be relevant:

> It is difficult for the Chair to ask hon. members to respect this rule when some of the senior members on both sides of the House do not necessarily do what they should and follow this rule in practice. I invite hon. members to bear this in mind and to get to the point and refer to the amendment which is before us.

Mr. Gillespie: Mr. Speaker, I apologize if I have appeared to take liberties with the interpretation you have placed on this. I have been concerned—and this is the main thrust of my remarks—that we should proceed to the conclusion of this debate on the amendment which asks that the bill be referred back. Tax credits and higher exemptions are things which concern me. I was going to lead up to this in my final remarks. What I was attempting to show was that the tactics with regard to the criticism of the bill have been tactics rather than things of substance.

Mr. Lambert (Edmonton West): You were not here. How would you know.

Mr. Gillespie: That is an interesting statement from the chief financial critic who has come to life again. I think one thing we should consider in this connection is the myth which I believe has been perpetrated, I suspect inadvertently but with the best intentions. The myth is that everybody can be a tax expert. Any member of this House who was a member of the House of Commons finance committee would know that this is patently untrue. I know the hon. member for Edmonton West would recognize this. This is one of the reasons the finance committee sought the advice of as many experts as it could obtain. It had before it something like 15 experts, professional consultants, economists, lawyers and accountants. One thing which came through very clearly in our discussions I believe was that there were some persons in the field of tax law, particularly international law, who had been practising for 20 years who did not feel they knew all the answers even after 20 years.

Mr. Danforth: But the government does in 50 days.

Mr. Gillespie: Yet hon. members opposite suggest that everybody in this House can be an expert, and that all they have to do is listen carefully to a general statement and then find the answer to a specific provision.

Mr. Lambert (Edmonton West): But they tell us it is the law.

Mr. Gillespie: I have listened to and have read many of the comments concerning the area of tax credit versus higher tax exemptions. I am satisfied that the proposals in this bill are the right ones, they are very significant improvements as far as our tax laws are concerned. Hon. members opposite will recognize that when a million taxpayers are removed from the tax rolls, the changes have to be significant.

• (4:50 p.m.)

Some hon. Members: Hear, hear!

Mr. Paproski: You have no choice.

Mr. Gillespie: They will recognize that when, nearly five million Canadians are going to pay lower taxes, those exemption levels have to be significant.

Mr. Paproski: Shame on you.

Mr. Gillespie: I think that the time has come to proceed to third reading, to dispose of the amendment before us, and to recognize that this House of Commons can consider, can debate, but the decision must be taken by the government. This government was elected to take decisions. Hon. members opposite were not elected to take decisions. Their role is to consider, to suggest and, where they see appropriate, to delay, but not to obstruct. Their

role is to illuminate but not to obstruct. Our responsibility as the government is to bring this debate and this issue to a close decisively, but at the same time to provide sufficient opportunity for members opposite to have their say.

An hon. Member: That is right.

Mr. Paproski: By applying closure.

Mr. Gillespie: I suggest that after two years of parliamentary concern with this matter, after the House of Commons Committee has seen nearly a thousand briefs—

An hon. Member: But not on this bill.

Mr. Gillespie: —and has travelled from coast to coast, after having had this bill before us for six months and after having spent the equivalent of 50 days of parliamentary time, the time has come to dispose of this amendment, to vote it down, and to decide on the new bill.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): That speech will never get you a promotion.

Mr. Gibson: We do not need a promotion.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, it would seem that private discussions are now over.

We are now debating Bill C-259 on tax reform at the third reading stage. In my opinion, and in the opinion of many people we have approached, this is the most badly drafted bill ever presented to this House. So much so that the minister himself has had to bring a host of corrections and amendments even before the committee of the whole stage.

This bill has been so badly drafted the Minister of Finance (Mr. Benson) has had to promise the Senate that amendments will be proposed early in the next session. Even though the bill is not passed, the minister already recognized that amendments were required.

So, Mr. Speaker, how could accountants, lawyers, businessmen and individuals understand this bill?

Under the previous legislation, many people had difficulty getting the abatements they were entitled to or were penalized because they did not fully understand the legislation. I say that if this bill in its present wording goes through and remains in force for at least the next ten years, the Canadian taxpayers will run into almost insuperable difficulties.

We are now considering an amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles) to refer the bill back to the committee of the whole House for the purpose of improving a part of the bill concerning the taxpayer who always was the most neglected in public administration, the labourer. That can apply also to other workers.

I believe the hon. member for Winnipeg North Centre is right when he asks for a thorough examination of that section of the bill in order to bring corrections where necessary and we approve of that. However, we of the Social Credit Party believe that the scope of the amendment moved by the member for Winnipeg North Centre is not wide enough and we intend to move and amendment to another section of the bill that also concerns the Canadians workers, so as to allow more equitable deductions for their expenses.

I shall speak about that later on, Mr. Speaker.

I was saying that the bill was very complex and that its drafting has been slipshod. I am not the only one to think so.

I have before me a brief submitted by the Canadian Association of Pulp and Paper Manufacturers in which, at the very beginning, they have this to say regarding Bill C-259. I quote:

> Its wording is very difficult and it is full of new concepts and definitions.

In short, Mr. Speaker, it is for all practical purposes a new legislation which the government will have to implement and the Canadian taxpayer to put up with. Tax experts will have to study it for several months before they can understand its effects and discover all the implications of its numerous sections.

Tax experts themselves—and not "fiscal experts" as they were referred to by the hon. member for Laurier (Mr. Leblanc) a few days ago—will have to spend several months studying and understanding every aspect of the bill.

Mr. Speaker, I would like to make a comparison between this bill and the Unemployment Insurance bill passed some time ago and which has been considerably amended since then.

When that bill was passed, Mr. Speaker, high officials of the Unemployment Insurance Commission encountered difficulty in understanding it and were unable to explain its implications.

• (5:00 p.m.)

It was necessary in all stages as the problem arose for Unemployment Insurance Commission officials to give their opinion and try to interpret this act. Several months after its implementation those officials admit that they are far from understanding fully the act which is a great deal less voluminous than Bill C-259.

So the accountants who will be called upon to help taxpayers, and businessmen, fill out their income tax returns will have, in the very first month following the implementation of this act, to start preparing their income tax returns for spring of 1972. How will they be able to come out of it?

It has been reported—and the Senate already knows about it—that income tax return forms for fiscal year 1971 are already available when the new act has not been even passed, and this allegation has yet to be denied.

Mr. Speaker, I think we were right in our opposition to the guillotine and we do not accept the accusations laid by the government to the effect that the opposition deliberately delayed the study of this bill.

I continue quoting from the brief submitted by the Canadian Pulp and Paper Producers Association:

> It is difficult to imagine how members of Parliament with their many other responsibilities can appreciate the effects of the proposed reforms in the few weeks they will have to study it.

Now, these businessmen are worrying about the way hon. members can, in a few weeks only, digest all the aspects of this new legislation.

In the committee of the whole, when the closure rule was applied, hon. members realized that most clauses of this bill had not even been considered.

We are faced with a high-gear implementation that we cannot accept without protest, and my colleague from Lotbinière (Mr. Fortin) was right in saying a few days ago that Bill C-259 should normally have been divided in ten parts. Since we devoted a good many days to the study of such a huge bill, nobody can blame us.

Mr. Speaker, as early as 1964, when the tax reform was under way, people worried about its results. An editorial written by Maurice Huot in *Le Droit* of Ottawa reported as follows:

> Say what you will, but the only way for a taxpayer to know whether his country, his province or his municipality is well managed is to figure out how much he pays out in taxes of all kinds. Even if attempts are made to lull him to sleep with high sounding words and empty slogans fed from public platforms in times of election, the fact remains that as long as the man on the street is being taxed hand over fist he will be right in having doubts about the efficient administration of the elected.

Mr. Speaker, as early as 1964, people worried about the effects of this tax reform which is about to be implemented.

Canadians in all walks of life are over burdened by taxes and levies of every description and they cannot bear them anymore. The present changes in the tax legislation are only meant to boost government revenue. It has been stated in studies made elsewhere that this reform will bring from $600 million to $1 billion more to the government. Who will bear the costs? The Canadian taxpayer or consumer, because taxes are always levied on workers.

For example, the capital gains tax which is supposed to be imposed on corporations will ultimately be paid by consumers under the form of increased prices which will worsen the inflationary pressure. A company can operate or survive if it succeeds in including in the price of its products all its costs, otherwise it goes bankrupt. If some cost is not included in prices the business becomes poorer and eventually goes under.

It is impossible to effectively tax a producer of the capitalist type, because his existence as a producer depends on his ability to pass on to the consumer all costs arising from the production in his firm.

Firms will tend to inflate their costs in proportion to the additional taxes that this government will inflict upon them.

It is unthinkable to believe that an unfair system will be improved by measures which will make it still more unfair.

Mr. Speaker, I am not the only one to think this way. In an editorial, on Quebec television, this was stated on November 13, 1969:

> To aim at fair taxation is all right—to achieve it is, however, another thing. If you admit, at the beginning, that any direct or indirect tax increases the normal cost of goods and services, it is still as always the consumer who will foot the bill. In the end, the real taxpayer is the consumer.

And the program editor added:

> —the investor may prefer to by-pass the investments that are more hazardous, but also more productive, and limit himself to those offering better dividends or interest. One can imagine the effect of such a reaction on the creation of new industries.

Mr. Speaker, the government's decision to tax capital gains will not only bring the small and medium-sized industry to the brink of bankruptcy, but it will also prevent the creation of new industries.

• (5:10 p.m.)

This legislation, besides making the consumer foot the bill, will result in increased unemployment and will allow big trusts to operate in a way still more detrimental to small and medium enterprise. That is what we cannot accept, that is why we are fighting the legislation at this time.

Taxation is theft when it is imposed on taxpayers who do not have enough money to purchase the requisites for a decent way of living, when these exist abundantly in Canada.

The individual is taxed to the utmost on every kind of pretext that can be brought up. The legislation apparently gives him a sop by way of a very slight increase in the basic exemption on his income, whereas the exemption is not even equivalent to what it was in 1949.

Mr. Speaker, it is just on such a point that the government will attempt to sensitize the people during the next electoral campaign, which I expect will be launched at the beginning of 1972. But the government will forget to make the people understand, or remind them, that eventually the surplus the government will bring in through this tax reform will come from the consumer.

Taxes are highway robbery as long as there are unsold goods, unemployed hands, idle productive capacities through lack of sale of these goods induced by the severely curtailed purchasing power of the taxpayer.

Mr. Speaker, I say that there must be a tax system, not to finance government budgets but to levy taxes only where there is too much money. The present tax system exists in order to finance the government's budget and the levies are made where there is not even enough money. And families and individuals lose the purchasing power they must have to lead a decent life.

In other areas, studies are being made to find out what is wrong, where are the poor and how many they are in Canada. We do not seem to realize that the main cause of poverty in Canada is our tax system which is not only wrong but helps take money from those who have not enough of it already. That made former Manitoba Conservative Premier John Bracken say in 1942 that our tax system is conceived so as to take money from the poor to give it to the rich. Mr. Bracken explained that buyers of government bonds are not necessarily poor; they are big corporations, people who amassed large amounts of savings, people who have capital. But those who pay taxes enabling the government to pay interests to bond holders are the workers, the little people.

It is stealing to levy taxes at the present time when they lessen the purchasing power, cause an accumulation of products and deprive the population just like inflation. Taxes should simply withdraw surplus money in circulation while there are not enough products. When money, is scarce, taxes are no solution. Instead the purchasing

power should be expanded by means of dividends or a compensated discount which would bring back prices to the real cost of production.

This is what we want, what we are offering in order to face the voracity of the government which keeps on levying ever higher taxes on individuals.

Mr. Speaker, I would like to revert to what I said earlier concerning section 8 of Bill C-259 which provides for a deduction of $150 or 3 per cent of the income, up to that amount for taxpayers with transport or equipment expenses. We raised that question on second reading as well as during the debate in the committee of the whole. We moved an amendment on this, because it seemed to my colleagues and to myself that this section had not been looked at closely enough. That is why I move, seconded by the hon. member for Lotbinière (Mr. Fortin):

That the amendment be amended by replacing the period by a coma and by adding the following: "and that in addition it reconsider subparagraph (*a*) of paragraph (1) of subsection 8 of clause 1 in order to allow taxpayers to deduct from their income all employment expenses supported by evidence."

Mr. Speaker, the reason for this subamendment is to bring the necessary corrections to the amendment of the hon. member for Winnipeg North Centre, so that all Canadian taxpayers may be allowed to claim their working expenses, provided they enclose receipts, in the same way as other classes of society are allowed to do at present. If people such as commercial travellers, insurance agents, accountants, doctors, and lawyers can claim all their working expenses, we have every reason to believe that it is only fair that all Canadian taxpayers who have to face fairly high, and continually increasing, expenses should be allowed to claim all their working expenses, provided, of course, they enclose receipts. I think that in all fairness the House should pass this subamendment, as well as the amendment of the hon. member for Winnipeg North Centre, so that the committee of the whole may have an opportunity to give further consideration to those two sections, in order to have an equitable system for all Canadian taxpayers.

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member has moved an amendment to the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles). I have some doubts about whether the subamendment is acceptable. I say this in a preliminary way only, because I would be prepared to hear hon. members who may wish to assist the Chair. It seems to me, however, that the amendment of the hon. member for Winnipeg North Centre referred back for consideration the proposed new section 117(1) as set out in clause 1 of the bill at pages 313 and 314. As hon. members know that section deals with a proposal to reduce, if I may use the expression, the "across the board" rate of taxation. The hon. member for Abitibi (Mr. Laprise), who has proposed the subamendment, would refer back to committee of the whole an entirely different section of the bill which deals with another matter. I have some doubts about the acceptability of this and if hon. members would care to assist me I should be pleased to hear them.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, the subamendment moved by my friend, the hon. member for Abitibi (Mr. Laprise), is supplementary to the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles) which implicitly aims at giving the committee an opportunity of studying the reduction of tax rates and I quote:

—and in particular for the purpose of reconsidering the changing of the figure "17 per cent" in line 33 on page 313 to "2 per cent" and consequentially reducing the amount at the beginning of each of the paragraphs . . . by $75.

Mr. Speaker, the principle which is implicit in the amendment of the hon. member for Winnipeg North Centre is the reduction of income tax, not only for a single category of taxpayers, but for all Canadian taxpayers. To be in order, and in accordance with the decision rendered by the Chair recently, this amendment should not refer to a single group of taxpayers, but to all of them.

The subamendment moved by the hon. member for Abitibi is to the same effect, i.e. that we propose, when the committee of the whole considers the section referred to by the hon. member for Winnipeg North Centre, that it consider at the same time section 8 relating specifically to deductible items and the basic deductions for personal income tax.

The two motions aim equally at reducing taxes for all Canadian taxpayers. The only implicit difference between the subamendment and the amendment is that the amendment of the hon. member for Winnipeg North Centre provides exact figures and replaces "17 per cent" by "2 per cent", which results in a $75 reduction. The aim pursued by my friend the hon. member for Abitibi is the following and I quote:

—to allow taxpayers to deduct from their income all employment expenses supported by evidence.

Therefore, if the committee were to accept this proposal to include it in the bill this would mean that all Canadian taxpayers could deduct from their incomes certain amounts of money that they had to spend in order to finance the purchase of equipment necessary to their work.

Therefore, all taxpayers taking advantage of the proposal made by the hon. member for Abitibi will automatically enjoy a tax deduction, which would have the same effect as that of the amendment proposed by the hon. member for Winnipeg North Centre.

That is why my colleague, the hon. member for Abitibi has chosen to move his sub-amendment at this time. If we give the committee of the whole the right to reduce the taxes of all Canadian taxpayers—we agree on that—why not give it at the same time the possibility to reduce the taxes of all taxpayers by saying that all taxpayers may deduct from their incomes all expenses related to their work as long as they produce proof to that effect?

In this amendment we could have talked about the percentage that is equivalent to $150 but this is precisely what we are against. In section 8(1) the government talks about a maximum amount of $150 or 3 per cent of the income. This amendment would have the effect of doing away with the provision saying that it will be $150 or 3 per cent, and this would have the same results as that seeked by the hon. member for Winnipeg North Centre. In fact, his amendment is on general income whereas ours is on related expenses.

This is why, Mr. Speaker, in view of the fact that this sub-amendment does not involve just one class of workers but also the professional, the poor, the low income people, the average citizens and all the taxpayers ,and because it is aimed directly at reducing taxes for all taxpayers if the committee should accept it, I humbly submit that it is in order.

• (5:20 p.m.)

[*English*]

Mr. Deputy Speaker: The hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not wish to speak at this point. I should like to do that later. May I ask the hon. member a question. I wonder if he realizes that the question Your Honour was raising, if I understood Your Honour correctly, had to do not so much with the substance of the proposed subamendment, but rather you were wondering if it is relevant to the amendment. I will have something to say on that point. Perhaps the hon. member would like to speak on that aspect as well.

[*Translation*]

Mr. Fortin: Mr. Speaker, I wish to thank my hon. friend from Winnipeg North Centre (Mr. Knowles) for reminding me of this particular point which I just mentioned earlier, but in my opinion this sub-amendment is obviously desirable since it would permit taxpayers to claim part of the expenses incurred in producing the income mentioned by the member for Winnipeg North Centre.

The amendment presented by the hon. member from Winnipeg North Centre, as my colleague for Abitibi (Mr. Laprise) has said, is aimed at producing a net income. In effect, the amendment of the member for Winnipeg North Centre reads partly as follows, and I quote:

. . . and in particular for the purpose of reconsidering the changing of the figure "17 per cent in line 33 on page 313 to "2 per cent" and consequentially reducing the amount at the beginning of each of the paragraphs . . .

And then he lists them.

Mr. Speaker, the hon. member for Winnipeg North Centre wanted the net income of the taxpayer to be considered and reduced by $75. Our amendment concerns precisely the situation prevailing before the net income is established, and is designed to determine what is that net income. The amendment moved by the hon. member for Winnipeg North Centre presumes that the computation of the tax has been done and that, on the whole, the tax rate is being reduced in order that the reduction may amount to $75. We are saying that the gross income should be taken into consideration and include larger employment expenses, in order to allow larger deductions, after which is obtained the net income to which applies the amendment of the hon. member for Winnipeg North Centre.

In my opinion the sub-amendment is closely related to the amendment, since both directly affect the taxpayer's income, regardless of his situation. One allows the other to better determine the gross income so as to obtain the net income. In the end, if the amendment and the sub-amendment are passed, the taxpayer will be allowed a tax reduction thanks to the proposal of the hon. member for Winnipeg North Centre, because the deduction of expenses relating to the taxpayer's employment will have been accepted, as was suggested by the hon. member for Abitibi.

I believe Mr. Speaker, this is a further reason for ruling this amendment in order.

[*English*]

Mr. Mahoney: Mr. Speaker, unfortunately the hon. member has not provided us with a copy of the amendment in either official language. This makes it difficult to contribute to this debate on the acceptability of this amendment. May I suggest that the Chair may wish to take this question under advisement and if, tomorrow, there is still a disposition to argue the procedural matter, we could do that when the bill is called. I regret that, so far, I am not in a position to contribute to the debate. In fairness, I think we should be given the opportunity to do that.

[*Translation*]

Mr. Fortin: Mr. Speaker, I rise on a point of order.

I should like to apologize to the hon. parliamentary secretary, but my colleague from Abitibi had ten copies of the sub-amendment a moment ago, which he gave to the House employee who usually distributes them to the members.

I can see that the parliamentary secretary now has in his hand a copy of the sub-amendment. Perhaps he could make some comments and say whether he agrees to it.

[*English*]

Mr. Deputy Speaker: I wish to indicate that the Chair has no doubt about the ruling that should be made. If other hon. members wish to contribute to the debate, I will hear them, although I am quite prepared to rule at this point.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, the way you said that must have sounded a bit ominous to my friends.

An hon. Member: Why?

Mr. Knowles (Winnipeg North Centre): Mr. Deputy Speaker said he is prepared to rule. Perhaps I should not try to read his mind. I thought he would give a negative ruling. May I also, in this connection, support the suggestion made by the hon. member for Calgary South (Mr. Mahoney) that the decision might be delayed.

I wish to make a particular point to Your Honour. I see difficulties with this subamendment procedurally. As for its substance, I like it, although I think a tax credit would have been better. Procedurally, however, I see difficulties. One of the difficulties I see, and I suspect this concerns Your Honour, stems from the fact that the amendment which I moved calls for a reference back to deal with a specific section, namely, section 117(1) as set out in clause 1 of the bill. The proposed subamendment deals with a different section altogether, section 8(1)(a), although this, too, is in clause 1 of the bill. I certainly foresee difficulty in that respect. As for the substance of the subamendment, I think the hon. member for Lotbinière (Mr. Fortin) has made a good case. In other words, if it were being presented by itself as a new amendment on third reading

calling for reference back, I think there is a good chance that Your Honour would find it in order.

The point I wish to make is a very practical one and takes into account the situation in which we find ourselves. I would remind you, Sir, that it happened that Your Honour, Mr. Deputy Speaker, was in the chair a week ago this afternoon when we were under closure. Certain amendments had been moved and Your Honour felt it would not be fair for the time of the committee to be taken up by procedural arguments but, rather, that without establishing precedents, certain amendments which had been put forward that day should be allowed.

• (5:30 p.m.)

The point I wish to make is that again we are under closure. At the moment, we are debating an amendment in my name. Presumably, a vote on that amendment will come soon, but one cannot be sure of that. I know that if our amendment is voted on and disposed of in one way or another we have others we should like to move. Hon. members in the official opposition have made no secret of the fact that they, too, have other amendments they would like to move. I do not see any opportunity for hon. members of the Social Credit party to get in even one amendment to the motion for third reading before this debate is closed off on Friday. I wonder whether Your Honour might not take these circumstances into consideration and give some thought to the possibility of allowing this subamendment, even though it is on a separate subject, so that hon. members in the fourth party in the House might have a chance of a vote on a matter which they feel is important.

I wish to say quite candidly that I am asking for something which is procedurally irregular. But this is an irregular week. We are having to operate under conditions which are not normal. Normally, on third reading of a bill such as this, we could put forward 75 different amendments proposing reference back to reconsider one after another of the clauses. But in the present circumstances we shall not have an opportunity to do that. Accordingly, I ask whether Your Honour might not consider making a ruling in the spirit in which you made rulings last Wednesday afternoon.

Mr. McCleave: I think this suggestion carries with it a measure of airness, Mr. Speaker. Though I may be next in line, and may be the one who is to be gored by this impromptu speech I am making now, I would support what has been said by the hon. member for Winnipeg North Centre as a reasonable suggestion in the interests of all parties in the House.

Mr. Deputy Speaker: I indicated I was prepared to make a ruling on the procedural point raised concerning the acceptability of the proposed subamendment. I shall make such a ruling, now. But first, I wish to refer to the very reasonable and lucid argument of the hon. member for Winnipeg North Centre (Mr. Knowles) which has just been ably supported by the hon. member for Halifax-East Hants (Mr. McCleave).

Hon. members who put forward arguments of this kind really place the Chair in a difficult position. I say this because, after all, it is not the Chair which has decided that the House of Commons shall operate in the circumstances in which we are operating today. It is hon. members who determine that we shall operate under a time limitation. So, while I understand and am very much moved, by the appeal put forward by the hon. member for Winnipeg North Centre and the hon. member for Halifax-East Hants, I do feel that if I were to base my ruling on that sort of agreement abuses could arise in the futurs. I have concluded, therefore, that I have to rule in accordance with the prececents binding the Chair.

The hon. member for Winnipeg North Centre mentioned the situation which arose a week ago today when we were operating under a time allocation order. I think there was some difference, there. As I recall it, the time available between the end of the question period and the time at which the votes were to be taken, amounted to an hour and a half, or, maybe, two hours. I do not recall the number of amendments which were submitted, but their number was considerable. As the hon. member has said, I took some responsibility in my initial ruling as chairman of the committee, and I think that ruling was followed by my colleagues with respect to subsequent amendments. I felt that in this unusual situation, and in order that hon. members might have an opportunity to express their views on the amendments, they might be allowed in those circumstances. Indeed, there was no time in which to give much study to the procedural aspect. On this occasion, however, there are two more days of debate left. I feel there is considerable difference between the two situations and I would not want the Chair to be placed in the position of finding this argument placed before it whenever a motion has been agreed to of the kind under which we are presently operating.

The other point is this. It is really in the hands of hon. members, not in the hands of the Chair, as to when the amendment of the hon. member for Winnipeg North Centre is dealt with. When it has been dealt with it will be open to other hon. members to make amendments to the main motion. It seems to me that this is a matter for regulation between hon. members, particularly those to the left of the chair, to determine which hon. members should have the opportunity to propose further amendments.

I say at once that if the subamendment proposed by the hon. member for Abitibi had been proposed as an amendment to the main motion there would be no hesitation in my mind about accepting it. If I were in the chair, and if that subamendment were proposed as an amendment to the main motion, I would accept it. But the Chair has responsibilities from a procedural standpoint. What the hon. member for Abitibi is asking the Chair to accept is a very reasonable amendment, but he is dealing with another section of clause one.

The hon. member for Lotbinière (Mr. Fortin) has argued very persuasively that as far as the question of relevance is concerned the amendment of the hon. member for Winnipeg North Centre and the proposed subamendment both reduce the tax load falling upon the taxpayer. I have no difficulty in agreeing with that contention. The difficulty is that when an hon. member proposes a subamendment he is under the constraint that he must not enlarge on, or differ in substance from, the amendment he is purporting to further amend. The amendment now before the House in the name of the hon. member for

Winnipeg North Centre deals with a specific section in clause one and it would have the effect of reducing a tax right across the board.

In passing, I would think that if, for example, the hon. member had proposed a subamendment to that amendment by changing 2 per cent to 3 per cent, or 1 per cent, it might well be in order. But what the Chair has before it is a proposal which would change a different section dealing with employment expenses reductions. I cannot find that it is relevant to the amendment in the name of the hon. member for Winnipeg North Centre. With regret, I shall have to rule on the basis of the precedents by which I must be guided and I am unable to put the proposed subamendment to the House.

Mr. Allan B. Sulatycky (Parliamentary Secretary to the Minister of Energy, Mines and Resources): This debate, Mr. Speaker, has been a very long one. Understandably, some members have played a more prominent role throughout its length than others. Last week the Minister of Finance (Mr. Benson) mentioned the outstanding work of some members of the House, particularly of his parliamentary secretary, the hon. member for Calgary South (Mr. Mahoney) who has played such an important role in piloting this legislation. I have not yet heard another hon. member mentioned, one who deserves a great deal of complimenting for his efforts in this debate right from its very beginning, an hon. member who has carried out a very difficult task exceedingly well. I refer to the hon. member for Edmonton West (Mr. Lambert) who has been spokesman in this debate for the Conservative party.

• (5.40 p.m.)

Some hon. Members: Hear, hear!

Mr. Sulatycky: Indeed, sometimes it appeared that he was the only one in that party who took any real interest in this bill. Throughout the debate he displayed a very reasonable and responsible attitude. I have been very impressed by his performance and his reputation, to my mind at least, has gone very high. I want to compliment him on his efforts and to express my admiration to him. It is not easy, as the hon. member for Edmonton West was called upon to do, to oppose good and beneficial legislation, as he has in this case. That is a very difficult task, but I compliment him for having done it very well.

In the few minutes that I have I want to outline what I propose to say later on in my speech. I want to emphasize just how many benefits this legislation confers upon the Canadian people. This legislation will benefit those people who most deserve to benefit, who most deserve a tax break. By implementing this legislation, we will bring greater fairness to our tax laws, something that they have lacked for many years. Indeed, a degree of fairness has been lacking from the very beginning of our income tax system, a degree of fairness that I hope will be achieved and that I believe will be achieved with the implementation of this legislation.

I cannot help but comment upon the attitude displayed to this legislation by opposition parties, how one speaks for special interests and privileged groups, and how another does not have the guts to speak for anyone. Let me make it plain for whom I want to speak today. I want to speak for those citizens, the ordinary average working

[Mr. Speaker.]

Canadians in my riding and elsewhere, who have been carrying more than their fair share of the tax load for far too long. For them this bill will bring very welcome relief. Even the official opposition know that this bill is a giant step forward in the interests of the average Canadian.

The first official reaction of the official opposition was an indication of just how good they thought this bill was for the Canadian people. All hon. members will remember that when the terms of this bill were first enunciated by the Minister of Finance (Mr. Benson), the hon. member for Prince Edward-Hastings (Mr. Hees) went running out to the TV cameras and the press as fast as he could to say that the thing was so good the government was going to call an election right away.

Mr. Knowles (Winnipeg North Centre): He was wrong, wasn't he?

Mr. Sulatycky: He was wrong about the election but not about how good this legislation is. This reaction of the hon. member for Prince Edward-Hastings reflected about as much commonsense as the latest reaction of the Conservative party to this bill. The Leader of the Opposition (Mr. Stanfield) has stated: "Yes, reduce taxes for most of the people, but in doing so you should not make up the difference by imposing higher taxes on our friends in the privileged classes and in big business". That is something I cannot accept. There will be an election, Mr. Speaker, as the hon. member for Prince Edward-Hastings has predicted. It will come in due course, and I predict that when it does come the Conservative party will be out across Canada trying to cover up the benefits that this legislation has brought the Canadian people. Because they will not want the Canadian people to give credit to the Liberal party, credit that the Liberal party deserves, for implementing this legislation after ten years of debate on tax reform.

Mr. Guay (St. Boniface): If they have no more than they have in the House at the moment there will not be very many here.

Mr. Sulatycky: The very good things, the positive aspects, of this legislation have been enumerated very often and should not need repeating. However, I want to repeat them and to list them, in order that I can focus attention on the great importance of this bill to the average Canadian, the working man, the older citizen and the average taxpayer of Canada.

It has been said—and my hon. friends in the New Democratic Party and many members of the Conservative party will agree—that the only taxpayer who pays his fair share of taxes is the worker, the employee whose income tax is deducted before he sees his pay cheque. He is the one for whom the Income Tax Act provides no loopholes, for whom it contains no provisions enabling him to escape his full share of tax liability. There are other categories of taxpayers who have found loopholes and for whom special provisions have been passed to enable them to escape the full and sometimes onerous burden of income tax.

This bill will go a long way towards straightening out the inequities that have existed up to now. The most important effect of the bill is that beginning on January 1, 1972, a little more than two weeks from now, there will be tax reductions for every married wage earner in Canada;

every single wage earner who earns under $8,000 a year will also pay less tax. This means that hundreds of thousands of people who heretofore have had to pay income tax will be removed from the tax rolls completely, and that several million more will have their taxes reduced significantly. Beginning next month all these people will find a few more dollars on their take-home pay cheque each pay day.

I take a great deal of pride and satisfaction from the fact that it is this government, the government that I support, that is bringing this about. This is a government concerned about fair treatment for all, a government concerned about social justice, a government concerned about all the people of Canada, not just a select few. I might also add it is a government that is willing to take and accept its responsibilities. When the time comes to vote on a particular issue, when the public is convinced the issue is a just one, this government brings the issue to a vote.

Another aspect of this bill that gives me a great deal of satisfaction is the benefits that will accrue as a result of the bill to our senior citizens. No single group will benefit as much as they. Comparatively speaking, they will get the greatest benefits of all. With the passage of this bill, the majority of Canadian citizens over 65 years of age will not be required to pay any income tax at all, and that is as it should be. These people who have been making their contribution to this country during their productive lifetime, through their hard work and payment of taxes, should not be required to pay income tax in their retirement years.

I have stated generally what I believe the effects of the legislation will be on the average Canadian, and I now want to look at some of the details of the legislation. I know these matters have been mentioned before, but perhaps they have not been mentioned often enough. First, and this is very important, personal exemptions will be raised to $1,500 from $1,000 for single persons and to $2,850 from $2,000 for married persons. In addition, a new innovation in the income tax system in this country will be the deductibility of child care expenses up to $500 for every child under 14 years to a maximum of $2,000 per family. I am sure everyone in this House is aware of the many thousands of working couples. One member of the family, either of the two spouses, will be able to claim baby sitting expenses of $500 per annum for each child up to a maximum of $2,000. This has not been available before. It has been a great inequity in our income tax system.

• (5:50 p.m.)

The payments made to a baby sitter, day care centre or some other individual or institution for looking after children of people who are required to work could not be deducted as an expense, although it was as legitimate an expense in the process of earning income as almost any expense that could be claimed by business people in this country in their business operations. I welcome that as a very important step forward. May I call it six o'clock, Mr. Speaker.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

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

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

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An act respecting Central-Del Rio Oils Limited

An act respecting the Royal Victoria Hospital

An act to provide for the obtaining of information respecting weather modification activities.

An act for granting to Her Majesty certain sums of money for the public service for the financial year ending 31st March, 1972.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 16, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

UNEMPLOYMENT INSURANCE

NEW REGULATION DEFINING EMPLOYMENT IN CANADA BY HER MAJESTY IN RIGHT OF A PROVINCE

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, since the passage of Bill C-229 last June, an act respecting the Unemployment Insurance Act, we have been formulating within the Unemployment Insurance Commission regulations that are needed in conjunction with the new act, particularly because of the widening of the coverage to almost universality in this country. There has been some confusion at the provincial level, as indicated in conversations with several of the provinces, as to precisely what employment under Her Majesty in right of a province means, although this terminology had been used in the old act for many years.

In order to remove the ambiguity or concern as to precisely what is meant I felt it would be in the best interests of everyone that the pertinent section of the regulations which will be shortly published in the Canada *Gazette*, as to what is and what is not a civil servant should be made available immediately.

The proposed regulation reads as follows:

2. For greater certainty, employment in Canada by Her Majesty in right of a province, for the purposes of subsection (1), only includes employment in Canada of employees who are appointed and remunerated under the Public Service Act or Civil Service Act of a province or who are employed in Canada by a corporation, commission or other body that is for all purposes an agent of Her Majesty in right of the province.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to state for the purpose of the record that this act as presently administered is in an awful mess. We find that the minister is now bringing before us an interpretation of a section of the act in respect of which we on this side of the House had some problems during our earlier deliberations on the bill. I remember repeatedly asking the minister, on behalf of this party, whether the province of Quebec and the other provinces were in fact satisfied with the bill, and we were continually reminded, and indeed chastised by the minister, that the bill was in order and that the provinces were willing to accept it as it stood. I understand that the province of Quebec is not now going to pay into this fund some $20 million. I wonder whether in fact the fund is actuarially sound.

I am very concerned about the whole act. We as members are continually being asked about the payment of claims for benefits to which people are entitled. This is not a hand-out. These people are entitled to their money. They have paid their premiums and accordingly should be able to obtain their benefits in due time.

The minister and his staff continually told us in the past that they would lengthen the waiting period to two weeks and there would be no great inconvenience. Things have not changed one bit. People are sick and tired, having paid their premiums, of having to wait six, seven, eight or nine weeks before getting their money.

• (2:10 p.m.)

Some hon. Members: Hear, hear!

Mr. Alexander: There is something else which should concern us. Yesterday I posed a question to the minister concerning the lack of co-ordination between his department and the Department of National Revenue when drawing up regulations. Apparently regulations are being drawn up by the Department of Labour which are contrary to those being established by the Department of National Revenue. Co-ordination must be improved. I suggest the minister should spend more time on this aspect of the legislation and stake his political future on the workability of the Unemployment Insurance Act rather than concern himself about technological changes which will probably not be discussed until some time next year. We might then have an Unemployment Insurance Act which would be credible, viable, and more useful to all concerned.

I trust the minister will make every effort to ensure that these people who have paid money into the fund will be treated with respect and dignity and that their claims will be expedited as quickly as possible. This is what the act is all about.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, to the extent that the regulation read to us by the Minister of Labour clarifies the situation, we welcome it. I suspect that it does clarify the situation, at least with respect to teachers in most of the provinces of Canada. I believe there is one province, though, the province of New Brunswick, where there was a different situation before the act was passed. We understood this when we were dealing with the bill in committee. But I repeat that insofar as this regulation would seem to clarify the situation with respect to teachers in the other nine provinces, we welcome it.

Nevertheless, a point has to be made—I assure Your Honour that it is closely related—with respect to the provision in the act which says that in the case of employees of provincial governments they are either all in or all out. I think this was a mistake. We opposed that provision when we were dealing with this legislation. I draw the attention of the minister to the fact that the regulation he has now

tabled may have the effect of complicating that situation. He has now said that employees of certain boards, commissions and crown corporations will be defined as provincial civil servants. That is fine in the provinces which decide to bring the civil servants in, but in those provinces that decide to leave civil servants out they are excluded from unemployment insurance coverage. So I suggest it may be necessary to take this regulation back to the drafting board and have a further look at it. The minister shakes his head. I always enjoy the movements of the minister's head, whether they are lateral or vertical. But I remind him we were assured in the committee that all this had been attended to. Yet it became necessary for the minister to clarify this point today.

I submit that still further consideration has to be given to the position of provincial employees generally. Speaking as one who believes that unemployment insurance coverage should be universal, I hope the minister will do everything he can to achieve that purpose, one which he said, when he brought in the bill, was his purpose also.

May I endorse what was said by the hon. member for Hamilton West about the unfortunate delays which are taking place. I know that the minister and the Unemployment Insurance Commission officials like to tell us that they are dealing with millions of people and that the number of delays represents only a small percentage, but a small percentage in this instance involves quite a few people. The number from whom we hear is very large and I think that something has to be done to speed up the handling of unemployment insurance claims.

The only other remark I should like to make is one that we in this group feel is extremely important. I hope the minister will come before the House within a few days with a new or clarified definition of income for the purposes of the Unemployment Insurance Act.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): It is our experience that it is the way in which income is being defined that is the most serious fault in the administration of this act. Many hundreds, perhaps thousands of workers, are being denied benefits to which they feel they are entitled because certain income is regarded as income for the purposes of the act. I hope that the tabling of this regulation today is a forecast of another one regarding the definition of income which will be tabled in a few days.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, this is a case where we might say that all things come to him who waits. We have just heard a statement that could have been made yesterday, if the House had so allowed. In fact, the statement is rather brief and contains only one section of the regulations concerning the Unemployment Insurance Act.

I thank the hon. minister for informing the House of this provision of the regulations, pending their full publication. The statement enables us to see a little better the situation of provincial employees.

However, there is something wrong in the regulations. For instance, employees such as teachers or hospital workers who, for all practical purposes, will never receive any unemployment insurance benefits, will have to contribute to the unemployment insurance fund. On the other hand, other workers—and here I believe the responsibility lies with the provincial governments—such as employees of the Quebec Departments of Roads and of Public Works, who for the most part are not on a full-time basis—for instance, they do not work during the winter—cannot receive any employment insurance benefits because they make no contributions to the fund.

Such is the ridiculous part of the situation, Mr. Speaker. I think we should engage in further negotiations with the provinces so as to enter into an early agreement likely to cover the workers that I have just referred to.

In conclusion, I would like to suggest to the minister that, in the administration of the Unemployment Insurance Act as regards claims submitted by the unemployed, the delays between the application and the time when they draw benefits are much too long. Even though the minister often says that 98 per cent of cases are dealt with according to regulations, it takes at least five or six weeks to process requests for benefits and that is far too long. I think we ought to find ways to reduce the delay between the end of employment and the time when the claimant draws his benefits.

* * *

[*English*]

MANPOWER

TABLING OF REPORT ON RESULTS OF TRAINING PROGRAM, 1970

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I would like to table in both official languages, under the provisions of Standing Order 41(2), a report on the Canada Manpower training program, results of training for the year 1970.

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• (2:20 p.m.)

IMMIGRATION

SMUGGLING OF ALIENS FROM CANADA INTO UNITED STATES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to propose a motion under Standing Order 43. The pressing and urgent circumstances relate to the inability of government immigration laws and policies to cope with serious current problems, particularly the continuous illegal entry of many aliens from or through Canada into the United States with the participation of organized criminal elements. If unanimous consent is given I would move, seconded by the hon. member for Edmonton East (Mr. Skoreyko):

This House, taking note of the failure of existing immigration laws and regulations and the refusal of the government to propose changes, which has resulted in many abuses and particularly large-scale smuggling of aliens from or through Canada to the United States, urges that immigration laws and regulations be referred to the Standing Committee on Labour, Manpower and Immigration to inquire into the above practices and recommend suitable changes.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Peace River. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

EXTERNAL AFFAIRS

TABLING OF 26 INTERNATIONAL AGREEMENTS CONCLUDED IN LAST 14 MONTHS

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, with leave of the House I would like to table in English and French a number of international agreements, to be exact 26, which have been concluded by Canada over the course of the last 14 months.

* * *

INDUSTRY

PULP AND PAPER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I request unanimous consent of the House to propose a motion under Standing Order 43 on a matter of urgent and pressing necessity.

Few Canadian industries have been faced with as many and varied economic problems as have confronted the pulp and paper industry. The effects of the accumulation of ills have been evident this year in a series of plant closings, temporary shutdowns and lay-offs. The industry has been hit hard in all provinces where mill closings are accentuating an already serious problem of unemployment. Despite the gravity of the problem facing the mills, which employ about 75,000 workers in Canada, the government has shown little interest in doing anything to aid the industry.

Mr. Speaker: Order, please. I am sure the hon. member knows that the purpose of Standing Order 43 is not to make a speech and argue a case. Hon. members know that in basic fairness, inasmuch as the Standing Order does not provide an opportunity for a reply, they should respect the spirit of the Standing Order and limit themselves to indicating the urgency of the matter. The hon. member is going beyond the terms of the Standing Order. He should indicate what the motion is that he proposes for the consideration of the House.

Mr. Marshall: I therefore move, seconded by the hon. member for Grand Falls-White Bay-Labrador (Mr. Peddle):

That the Standing Committee on Finance, Trade and Economic Affairs meet immediately to consider the state of the pulp and paper industry in Canada, to recommend projects to assist the unemployed workers, and to recommend measures to restore capacity of the mills affected.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Humber-St. George's-St. Barbe. The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

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UNITED NATIONS

EXPEDITING OF DEBATE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, partly because time allocation is working effectively in this place I ask for unanimous consent under Standing Order 43 to move the following motion:

That the government of Canada urge the United Nations rules committee, or the relevant agency thereof which constitutes its equivalent, to limit time on debates to 20 minutes per speaker, except with the consent of the Chairman of the General Assembly or committees thereof, in order to speed up the work of the United Nations, and in order to stimulate interest in debate—

Mr. Speaker: Order, please. I have to address to the hon. member the remarks which I addressed a moment ago to the hon. member for Humber-St. George's-St. Barbe. The hon. member cannot argue a case. He has to indicate what the motion is.

Mr. Gibson: On a point of order, Mr. Speaker, the reasons for the motion are very short and, if you will bear with me for one sentence, I shall continue.

—and in order to curtail existing expense and delay.

Further, that the government of Canada, through all existing publicity agencies give this recommendation wide publicity throughout Canada.

Mr. Speaker: Order, please. The hon. member should respect the Standing Order. He should indicate to the House what the motion is. He may have been mentioning it up to this point but if so I did not understand. If he has done so he might indicate to the Chair that he has.

Mr. Gibson: I have done so, Mr. Speaker.

Mr. Speaker: I apologize to the hon. member. I did not realize that he was actually putting the motion at that point. Hon. members have heard the motion proposed by the hon. member for Hamilton-Wentworth. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

Inquiries of the Ministry

ORAL QUESTION PERIOD

IMMIGRATION

ALLEGED STATEMENT BY MINISTER RESPECTING IGNORING OF DIRECTIVES BY OVERSEAS OFFICERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the statement of the Minister of Manpower and Immigration to the effect that overseas officers of his department have sometimes ignored the directives of the department outright by simply "not reading them or by dismissing them as propaganda"—I make no comment upon that—I should like to ask the Prime Minister what action the government is taking to ascertain the extent of the lack of control by the minister over the activities of his officers in carrying out the policies of the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of this particular complaint and I shall gladly discuss it with the Minister of Manpower and Immigration. However, it has been the policy of this government to ensure that civil servants everywhere do carry out the policy decisions of the government.

Mr. Stanfield: Mr. Speaker, this does not seem to be the case according to the statement of the minister. In view of the seriousness of the minister's charge if it is correct, and the seriousness of the damage to the morale of public officials if it is not correct, I should like to ask the Prime Minister whether a full investigation is under way?

Mr. Lang: On a question of privilege, Mr. Speaker, since what seems to be attributed to me would seem to suggest a rather serious maligning of some very hard-working and efficient people, I should like to draw to the attention of the Leader of the Opposition that what he seems to be referring to is some general conversation about why it is in a specific case someone may not have received a certain amount of information and it was related to speculating about specific cases, and nothing more than that. If anything in the report of what I said, which I have not yet seen, was anything more than that, I certainly—

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

Mr. Stanfield: I have a further supplementary question for the Prime Minister or the minister. I should like to ask whether it is the intention of the Prime Minister or the minister to leave matters where they stand with these grave doubts as to the extent to which the policies of the government are being carried out or, on the other hand, grave doubts with regard to the insubordination of officials. In view of the statement by the minister, is it the intention of the Prime Minister and the government to carry out an investigation to clarify this matter which cannot be left in this intolerable position?

Some hon. Members: Hear, hear!

Mr. Trudeau: Surely, Mr. Speaker, it is not all that intolerable. It happens every day, I am sure—

Mr. Hees: In all your departments.

[Mr. Speaker.]

Mr. Trudeau: —in any civil service the size of Canada's that some officials somewhere, some time do not always carry out their instructions in the best possible way. This may be through human frailty, through delinquency or some other explanation.

Mr. Hees: Lack of direction.

Mr. Trudeau: The government tries to ensure the greatest possible efficiency in the civil service. The minister has said and it is recognized on both sides of the House that we have one of the best civil services in the world.

Some hon. Members: Hear, hear!

Mr. Hees: Which you are doing your best to dilute.

Mr. Trudeau: So to state that there are sometimes, somewhere, some inefficiencies, Mr. Speaker, is no reason for the government to do like the Leader of the Opposition and charge on its mount toward windmills that seem to be—

Mr. Speaker: Order, please.

• (2:30 p.m.)

Mr. Stanfield: Mr. Speaker, may I ask one further question.

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

Mr. Stanfield: I wonder which is the windmill that I am supposed to be charging? Is it the Prime Minister?

Mr. Speaker: Order, please. The right hon. member for Prince Albert.

Mr. Fairweather: How do you like that, Buster?

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, in order to find out what Buster meant, may I ask the Minister of Manpower and Immigration whether he has found that immigration officers overseas ignore policy directives outright, either by not reading them or by dismissing them as propaganda? Is that a fact or is it not?

Hon. Otto E. Lang (Minister of Manpower and Immigration): No, Mr. Speaker, it is not.

Mr. Diefenbaker: Then why did the minister say it?

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

[*Later:*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I address a supplementary question to the Minister of Manpower and Immigration. In view of the very serious statement by the minister that he is unable to get his immigration officials or offices around the world to carry out policy directives, may I ask what steps he has taken to correct this very serious situation and whether, in fairness to the loyal civil servants in his department, he will make a statement in the House?

Mr. Lang: In fairness to those loyal civil servants, I wish the hon. member would not take a straightforward no,

turn it into some kind of yes and continue this slur which is uncalled for.

ILLEGAL MOVEMENT OF ALIENS FROM CANADA INTO UNITED STATES—GOVERNMENT ACTION

Mr. William Skoreyko (Edmonton East): I have a supplementary question, Mr. Speaker, for the Minister of Manpower and Immigration. Does the government intend to take any action to meet the situation referred to in confidential American Department of Justice and FBI reports recently leaked to the press about the continuing problem of substantial movement of aliens from and through Canada into the United States?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I have indicated a number of times before in the House that Canadian authorities, both within the department and elsewhere, co-operate in every way possible in acting on a whole variety of illegal activities, and this conduct is continuing.

Mr. Skoreyko: Mr. Speaker—

Mr. Speaker: Order, please. I will return to the hon. member in a moment. I think we should try to limit supplementaries until we get the first round of questioning out of the way.

[*Later:*]

Mr. Skoreyko: Mr. Speaker, my question is supplementary to the one I originally directed to the Minister of Manpower and Immigration. As the minister has been unable to secure approval from his colleagues for amendments to the immigration laws promised in the Speech from the Throne in October, 1970, will he co-operate in bringing the matter referred to before the appropriate standing committee and include in that reference a draft of the bill which cabinet refused?

Mr. Lang: Mr. Speaker, the question of any changes in legislation which have been required more to meet the problems of the appeal board has really nothing to do with this question of the control of visitors in our country. I do not think any of us would like to suggest measures which would in any way limit the relative freedom we extend in this country for visitors to come here. I know this can be a source of certain problems, but it is also a source of many advantages.

* * *

COMMUNICATIONS

BELL CANADA RATE INCREASE APPLICATIONS—GOVERNMENT ACTION

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of Communications. Is he aware of two applications for rate increases made by Bell Canada to the Canadian Transport Commission, one called a principal application to increase revenues by $78 million and the other an interim application for an increase to come into effect on January 1, 1972, and for which no hearing is planned? If he is aware of these two applications, what steps is he taking to make sure that the interim increase at least will not be granted to this well known, penurious organization?

Hon. Robert Stanbury (Minister of Communications): Mr. Speaker, the hon. member knows, I think, that under our statutes the responsibility for making decisions on such applications is that of the Canadian Transport Commission and that the Minister of Communications cannot give any direction to that commission.

Mr. Lewis: Perhaps the Minister of Communications has not had occasion to read all the relevant sections of the act.

An hon. Member: Don't lecture.

Mr. Lewis: Since under the act the Governor in Council is given authority to require the commission to give it all information, to supply it with all applications and to require information from the corporation asking for rate increases, has the minister taken any steps at all or is he planning to take any steps to look into this outrageous demand by Bell Canada for an interim increase to come into effect without a hearing?

Mr. Speaker: Order, please. The minister may reply briefly. However, the hon. member will appreciate that that was more a speech than a question. In any event, I suggest the minister should reply.

Mr. Stanbury: Mr. Speaker, I am certainly interested in these applications, and the Department of Communications is certainly examining all available information concerning them, but that was not the hon. member's original question.

Mr. Lewis: Will the minister at least suggest, if he will not request of the Canadian Transport Commission, that the commission should not agree to any increase in rates by Bell Canada, not even on their interim application, unless there is a hearing?

Mr. Stanbury: Mr. Speaker, I think the Canadian Transport Commission will no doubt take note of that representation.

Mr. Lewis: You should make it. That is what the minister is there for.

Mr. Stanbury: I think the hon. member should go back and look at the act again.

* * *

MANPOWER

[*Translation*]

LOCAL INITIATIVES PROGRAM—MEASURES TO INCREASE MAXIMUM WEEKLY REMUNERATION IN QUEBEC—FEDERAL GOVERNMENT CONTRIBUTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration in connection with the local initiatives program in effect during the winter.

In the Quebec construction field, weekly wages of $150 are compulsory under an order in council. Is the minister

aware that such an order exists and what solution does the federal government or the minister himself intend to offer in order that the local initiatives program may be carried on in Quebec?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we are well aware that a number of regulations, whether governmental or union, require certain wage levels and that some of these people who are subject to such rules may take part in the local initiatives program. Our rule does not in any way stop this kind of payment being made. It is related to the amount of the grant we can make per week or month, per man employed. That is an average maximum upon which our grant is based and there is nothing to exclude more or less being paid. There is nothing to exclude money obtained from other sources being used in connection with programs.

[*Translation*]

Mr. Caouette: Mr. Speaker, I should like to put a supplementary question to the minister.

Does that mean that, if the province of Quebec decreed a weekly salary of $150 instead of the $100 stipulated by federal law, the federal government will not contribute in any way to make up the difference if the province of Quebec does not supplement the $50 in the case of youth projects, for instance?

[*English*]

Mr. Lang: Mr. Speaker, the fact that a very large number of applications have come forward, most of them meeting our criteria, indicates that local and municipal groups in the province of Quebec can meet these criteria. The objective behind the criteria was to channel as many as possible of the jobs to those areas where they are needed most, areas where the people need them, which means—

Mr. Speaker: Order, please.

* * *

FINANCE

ALLEGED DEMAND BY UNITED STATES THAT CANADIAN DOLLAR BE PEGGED AT CERTAIN LEVEL

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Can the minister advise the House whether the United States has requested directly of Canada or demanded that Canada peg the value of the Canadian dollar, and whether that pegging should be in the upper ranges, relatively speaking, as between the major world currencies and the United States dollar?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, no such demand has been made.

Mr. Lambert (Edmonton West): Would the minister advise the House whether the United States agreement in principle to devalue their dollar would be in exchange for a relaxation of certain non-tariff barriers by the Common Market? If that is the case, does Canada intend at tomorrow's meeting to back the United States actively in the demand for relaxation of these non-tariff barriers?

• (2:40 p.m.)

Mr. Benson: Mr. Speaker, I really cannot answer that question because I was not at the meeting with Mr. Pompidou.

* * *

INDUSTRY

PULP AND PAPER—GOVERNMENT PROGRAM TO OVERCOME DIFFICULTIES AND ASSIST THOSE LAID OFF

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Industry, Trade and Commerce. In view of the unstable international exchange rates, the United States 10 per cent surcharge, the floating appreciation of the Canadian dollar, and the widespread lay-offs in the pulp and paper industry, has the government decided to implement a specific program of assistance to the industry and the individuals who are being laid off daily?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Without agreeing to the postulates, because some are false, may I repeat Mr. Speaker, what has been said on a number of occasions? We met on December 6 with representatives of the pulp and paper industry. We discussed ten different items. Ten ministers were present. I am to meet with the industry again in early February. In the meantime, a number of studies have been undertaken.

* * *

TRADE

CANADA-UNITED STATES—STATE OF NEGOTIATIONS ON AUTO AND DEFENCE-SHARING AGREEMENTS—POSSIBLE REMOVAL BY UNITED STATES OF CERTAIN AGRICULTURAL TARIFFS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a question for the Minister of Industry, Trade and Commerce. Now that it appears likely there may be some solution to the question of the realignment of currencies, what progress is being made in the minister's discussions with the American government regarding what he calls irritants and, particularly, has any agreement been reached with regard to the Canada-U.S. auto pact or with regard to the defence-sharing agreement?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker. I can only say that the discussions are continuing.

Mr. Douglas: In view of the fact there is a wide variety of important agricultural products which under the Kennedy round will enter the United States duty free on January 1 and as a consequence will be exempt from the 10 per cent surcharge, has the minister in the course of his discussions ascertained whether the American government intends to comply with the Kennedy round provisions and remove these duties on January 1?

Mr. Pepin: Mr. Speaker, we have put this question to the U.S. administration on a number of occasions. We have not yet obtained a firm decision on the subject of the removal of certain tariff items in accordance with Kennedy round implementation.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for one last supplementary. I think I should remind hon. members that the number of supplementaries makes it difficult for other members to be recognized toward the end of the question period.

Mr. Douglas: Does the minister expect to be able to make a statement to the House, if possible before the recess, on any agreement that has been reached with regard to the removal of the irritants to which he has referred?

Mr. Pepin: I cannot promise that, Mr. Speaker, because I do not really know what the chronology of events will be in the following days.

Mr. Speaker: Order, please. For the moment the Chair will try to recognize hon. members who were not recognized yesterday. I think I remember most of them.

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HEALTH

RECONSIDERATION OF CANCELLATION OF GRANT TO NATIONAL CANCER INSTITUTE

Mr. W. B. Nesbitt (Oxford): I have a question for the Minister of National Health and Welfare. In his absence, and because it is doubtful how much longer we will be here, I will direct it to the Prime Minister. It relates to a question I asked the Minister of National Health and Welfare about three weeks ago concerning the cancelling of grants for cancer research. At that time the minister indicated he would reconsider this. Can the Prime Minister inform the House whether these grants for cancer research in Canada have been reinstituted? It seems inexcusable that they should have been cancelled.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am sure the minister lived up to his commitment. I do not know the result of that reconsideration. Perhaps the hon. member can ask the minister that question when he returns from the meeting he is presently attending with the provincial health ministers.

* * *

INDUSTRY

CANADA-U.S. AUTO PACT NEGOTIATIONS—SUGGESTED CANADIAN PRODUCTION OF CARS PURCHASED IN CANADA

Mr. Edward Broadbent (Oshawa-Whitby): My question is for the Minister of Industry, Trade and Commerce. In view of the fact that, if Canadians were producing in Canada that percentage of North American automobile products that they actually consume, such production would provide about 30,000 additional Canadian jobs, can the minister inform the House if in discussions with the Americans his officials have made a request for a change in the auto pact which would bring this about?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it would take half an hour to deal with the question raised by the hon. member. I hope to do so in due course. In the meantime, I might say that I have already given an answer to that question a few months ago. I suggested at the time it would not be wise to tie ourselves to this particular target. I will make the necessary analysis in the House in due course. I have said on a number of occasions that I will take the House into my confidence before we reach any final agreement with the United States.

Mr. Broadbent: Can the minister inform the House if the state of negotiations on this subject is such that he expects an agreement to be reached before the Christmas recess and, if so, what form of announcement he plans to make in the House? Will it simply take the form of an announcement or is it the intention to have a debate on the issue?

Mr. Pepin: Presumably, Mr. Speaker, I will make a statement. My hon. friend will have a chance to reply, comment and disagree with me, I am almost sure.

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MANPOWER

PETAWAWA WINTER WORKS PROJECT—REFUSAL OF WORK TO CERTAIN APPLICANTS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): My question is for the Minister of Manpower and Immigration. It pertains to the winter works project undertaken by the government at Petawawa in Renfrew County at the Department of National Defence and the forestry station. Can the minister tell me why unemployed people from the Renfrew, Eganville and Killaloe areas are refused employment on this project, despite the fact they are in the same area and same country, while applicants from Pembroke are acceptable?

Mr. Speaker: Order, please. I respectfully suggest to the hon. member that the question can be interpreted as a representation for the consideration of the minister. To the extent it is a question, I think it can well be considered at the time of adjournment.

* * *

• (2:50 p.m.)

[*Translation*]

REGIONAL ECONOMIC EXPANSION

CONSOLIDATED-BATHURST LIMITED—MEASURES TO FIND JOBS FOR LAID-OFF EMPLOYEES

Mr. Herb Breau (Gloucester): Mr. Speaker, I would like to ask a question of the Minister of Regional Economic Expansion.

Have the government of New Brunswick or Consolidated-Bathurst Limited made a proposal to the minister in

order to find a solution which would provide jobs for employees laid off last week in Bathurst, or has the province of New Brunswick made a suggestion for new programs to create jobs for these workers?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I received a long telegram from the New Brunswick premier who is to meet me tomorrow morning in that connection.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

DIFFICULTY IN PROCESSING CLAIMS AT MONCTON COMPUTER CENTRE

Mr. Robert C. Coates (Cumberland-Colchester North): My question is for the Minister of Labour. Is the minister in a position to indicate to the House the degree of the difficulties that have developed at the computer centre in Moncton with regard to the processing of unemployment insurance claims and the extent of the difficulties this is causing for claimants?

Mr. Speaker: Order, please. I have serious doubts whether it is in order during the question period to refer to individual difficulties in relation to particular Unemployment Insurance Commission offices. Perhaps the hon. member might consider the possibility of having the question put on the order paper or of raising it at the time of adjournment. Possibly the minister might be prepared to reply quickly.

Mr. Coates: Mr. Speaker—

Mr. Speaker: Order, please. I have allowed the minister to reply quickly so that we can get on with the question period.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the computer in the Atlantic area broke down on Monday, December 13 at 4:30. It was operating again the next day at 11:30. In the meantime, a midnight shift was established. By the end of December 15, everything was back to normal and up to date.

[*Translation*]

Mr. Speaker: Order, please. I see that several hon. members want to ask supplementaries and I suppose they will be related to similar problems in other parts of the country. For the present, in order to check on my assumption—

[*English*]

I will recognize the hon. member for Victoria-Haliburton.

Mr. W. C. Scott (Victoria-Haliburton): A supplementary question. Will the Minister of Labour consider discarding the computers and going back to manual operation in the preparation of these payments?

Mr. Speaker: Order, please. This, of course, is a representation for the consideration of the minister.

[Mr. Breau.]

[*Translation*]

DISCUSSION WITH QUEBEC CONCERNING REGULATIONS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I have a supplementary for the Minister of Labour.

Further to his statement of today in the House on unemployment insurance, could the hon. minister tell us whether he has had discussions since yesterday with the Quebec government and what is that government's attitude with regard to the new regulations the hon. minister has announced today?

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I felt that in courtesy to the House of Commons I should first make the particular section of the regulations known to hon. members. I would imagine that events would flow accordingly.

[*Translation*]

Mr. Valade: Mr. Speaker, I have a supplementary question for the minister.

I would like to clarify my question and ask him if he has had, since yesterday, any consultations with Quebec in order to determine what position the government intends to take with regard to the decisions that his department is to announce soon.

[*English*]

Mr. Mackasey: Mr. Speaker, I think I should make it very clear that the new act, as did the old act, provides for exception of public servants in each and every province in Canada. Some provinces, however, have taken advantage of another provision in the act, despite this exception, to request inclusion of all their public servants. The problem with the province of Quebec has been in defining precisely the public servants, and I could imagine—

Mr. Speaker: Order, please. I wonder whether the minister would like to return to motions to make a statement. The hon. member for Assiniboia.

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TRADE

EXHIBITION IN PEKING IN 1972—INCLUSION OF AGRICULTURAL PRODUCTS EXHIBIT

Mr. William Knight (Assiniboia): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the importance of the Canadian solo fair in China in 1972, has the minister considered an exhibit based on the agricultural products available to the People's Republic of China?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it has already been announced that we will have a Canadian exhibition in Peking in the summer of 1972. Applications from Canadian producers are being received now. I do not know whether there is a selection being made by categories of industries but I will find out and report further.

[*Translation*]

UNEMPLOYMENT INSURANCE

PARITY OF BENEFITS WITH UNITED STATES—SUGGESTION THAT MINISTER CONTINUE DISCUSSION

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Labour.

Since the Unemployment Insurance Commission cannot pursue negotiations with the United States or any of the American states in order to establish unemployment insurance benefit parity, does the minister intend to carry on these negotiations at the ministerial level so as to reach that goal?

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the hon. gentleman has raised this question on many occasions as a result of his concern for people in his riding. May I suggest to the hon. gentleman that early in the week we arrange a meeting with the hon. gentleman and the unemployment insurance commissioners in order to ascertain precisely what the situation is that is of concern to the hon. member.

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ROYAL CANADIAN MOUNTED POLICE

STEPS TO LOCATE AND PROSECUTE GROWERS OF MARIJUANA

Mr. P. V. Rynard (Simcoe North): Mr. Speaker, may I address a question to the Solicitor General. In view of the reported fact that marijuana has now become the highest return cash crop per acre and its use is on the increase, would the Solicitor General state what steps are being taken by the RCMP, in conjunction with the Department of Agriculture and the Department of National Health and Welfare, to locate these growers and to prosecute the owners and distributors of these illicit crops?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I would like to consult the other departments concerned.

[*English*]

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. In light of the fact that Statistics Canada has found that marijuana has now become a national agricultural product, can the minister inform the House whether the government is considering this crop in a new agricultural income stabilization plan?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, and it is not listed under other crops.

Mr. Speaker: Order, please.

AIR CANADA

SLOWDOWN BY GROUND PERSONNEL—ASSURANCE OF NO DISRUPTION OF PASSENGER SERVICE DURING CHRISTMAS HOLIDAYS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Prime Minister regarding the Air Canada slowdown. In view of the initiation of a work to rule campaign by ground personnel of Air Canada, can the Prime Minister inform the House whether the government has been assured there will be no major disruptions of passenger service during the Christmas holidays and, if not, are measures being undertaken so that such an assurance can be given in the next few days?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I am not sure that the hon. gentleman who is an industrial relations critic, is suggesting that I should bring in emergency legislation to remove from the workers their right to strike if that right becomes legal during the Christmas holidays. I have made it clear in television interviews that I think work to rule is self-defeating and I would suggest to the union members that they drop these tactics between now and the time the conciliation report is made public.

Mr. Alexander: I wonder whether the Minister of Labour can assure the House that there will be no major disruptions over the Christmas holidays? I think that is the important point.

Mr. Mackasey: Mr. Speaker, the only way I can give that assurance is to take away from Canadian workers precisely what they are entitled to under the law of the land.

Mr. Speaker: Order. This is becoming a debate between the minister and the hon. member.

SUGGESTED HIRING OF ADDITIONAL EMPLOYEES TO IMPROVE SERVICE

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the Prime Minister or the Minister of Labour, who seems to be doing the answering, whether, in view of the high unemployment level in Canada and in view of the fact it is extremely difficult and time consuming to obtain a reservation from Air Canada by calling their reservation number, 237-5000, the minister will undertake to improve both the unemployment situation and Air Canada's service by asking Air Canada to hire some people?

Mr. Speaker: Order, please. Again that is a representation.

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CIVIL LIBERTIES

REQUEST FOR ELABORATION OF STATEMENT BY MINISTER OF JUSTICE CONCERNING PRESSURE TO CURTAIL

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I want to ask the Minister of Justice a question in reference to personal liberties. The Minister of Justice has been quoted as saying that he was under strong, very high-

placed pressure to curtail certain personal liberties. What high places was he talking about and what civil liberties was he referring to?

Mr. Speaker: Order, please. I have very serious doubts about this kind of question. Perhaps the hon. member might rephrase it, unless the minister can reply and give the information fairly quickly. It seems to me the question is more in the nature of debate or academic discussion between the hon. member and the minister. As I say, if the minister thinks he can reply quickly he can take the floor for that purpose.

Mr. Woolliams: Then may I rephrase my question, Mr. Speaker. The minister stated that personal liberties were in danger from pressure by certain people. Were these people within the government, and what personal liberties was he speaking of? This is a very important matter for the Canadian people.

Hon. John N. Turner (Minister of Justice): In this interview, Mr. Speaker, I was striking a balance that I think every free society has to strike in the enforcement of the law between individual liberty, on the one hand, and the security of the people on the other.

Mr. Speaker: Order, please. I see there are three hon. members who want to ask supplementaries on this subject. I must bring to the attention of hon. members that it is against the rules to debate in the House speeches that are made outside the chamber by ministers. Many ministers, I note from newspaper reports, make speeches outside the House from day to day, and if we were to spend most of our time during the question period inviting interpretations from ministers as to what they meant or did not mean, we would spend quite a bit of time debating this kind of issue. The hon. member has raised this matter so perhaps he might put his question directly.

Mr. Woolliams: I will make my question very short, Mr. Speaker, and I appreciate your courtesy. Is the government thinking of re-enacting some public order act, and is the Minister of Justice differing with other members of the government with reference to the implementation of such a new act?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the answer to the first question is that there is a motion before the House allowing me, if called upon by the Standing Committee on Justice and Legal Affairs, or by the special committee contemplated by such motion, to express some views as to the balance to be struck between individual liberties and collective security. The answer to the second question is no.

[*Later:*]

PRESSURE TO LIMIT RIGHT TO DEMONSTRATE, PICKET AND TAKE PART IN MEETINGS—POSSIBILITY OF LEGISLATION

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question to the Minister of Justice is supplementary to the question just asked him. Has he had any pressure placed on him by people who would like to see him introduce amendments to the Criminal Code to limit the right of citizens to demonstrate, to picket and to take part in meetings? Can he assure the House that he is not contemplating such legislation?

Hon. John N. Turner (Minister of Justice): I can give an assurance to the House that no legislation altering the balance between civil liberties and national security will be introduced, short of a crisis, without coming to Parliament in the way I have indicated to the hon. member for Calgary North.

POSSIBLE LEGISLATION TO ESTABLISH OMBUDSMAN

Mr. R. N. Thompson (Red Deer): I wonder whether the Minister of Justice, in planning new legislation, is considering legislation which would set up the office of ombudsman as this would really help to protect civil liberties?

Hon. John N. Turner (Minister of Justice): The hon. member and I have debated this in every session of Parliament since we have both been here.

* * *

INCOME TAX

RETROACTIVITY OF POSSIBLE AMENDMENTS TO ACT NEXT YEAR

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have given notice of this question to the Minister of Finance and I think his answer might be helpful to the debate later today and tomorrow. Would the minister propose making retroactive certain of the amendments to the income tax legislation to be introduced in the new year?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, that will depend on the nature of the amendments. I mentioned a few last Friday that were being contemplated by the government. For example, the one dealing with deferred profit-sharing plans would have to come into effect at the same time as Bill C-259, at the beginning of the year.

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• (3:00 p.m.)

GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENT—REQUEST FOR REPORT ON INVESTIGATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. As more than a month has now passed since the government launched its investigation into the leak of the so-called Gray report, and as no report has been made to Parliament so far, can the Prime Minister advise us what results, if any, have been obtained from this investigation?

Right Hon. P. E. Trudeau (Prime Minister): I will check to see whether any results have been obtained.

Mr. Hees: As, obviously, there are no results to be reported by the Prime Minister, I will ask him this supple-

mentary: which member of his cabinet is he shielding and what is the reason for it?

Mr. Speaker: Order, please. That is not a proper question.

* * *

ADMINISTRATION OF JUSTICE

USE OF SNOWMOBILES TO HUNT ANIMALS—POSSIBLE AMENDMENT TO CRIMINAL CODE

Mr. John Gilbert (Broadview): Mr. Speaker, I have a question for the Minister of Justice. Bearing in mind the mean, despicable and unsportsmanlike actions of some snowmobilers who chase and kill animals from snowmobiles, would the hon. gentleman amend the Criminal Code to prohibit this cruel practice?

Hon. John N. Turner (Minister of Justice): I would have to ascertain whether the existing provisions of the Criminal Code are sufficient to substantiate that type of prosecution. I will take the question under consideration.

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AGRICULTURE

POSSIBLE NEED FOR INCREASED STAFF TO MAKE SUBSIDY PAYMENTS

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. I should like to ask him whether his department will be acquiring extra help, or has it the use of a computer which makes it possible to make payments with respect to subsidies.

Hon. H. A. Olson (Minister of Agriculture): I do not understand the purport of the question. If it is whether we need additional staff to operate computers, I do not think there is such a need.

Mr. Korchinski: We were told by the minister in the Committee on Agriculture that subsidies could not be paid because there was an administrative burden. I wonder how the department is getting around this difficulty.

[*Later:*]

Mr. Speaker: I believe the hon. member for Mackenzie is rising on a point of order.

Mr. Baldwin: There is something coming over from the States right now.

Mr. Speaker: Order. Obviously there is something wrong with the hon. member's microphone. Perhaps he could wait a moment while adjustments are being made. He will be recognized later, or perhaps he might, by leave of the House, move to another seat. Order, please. It might be useful if I were to suggest to hon. members that we proceed without the assistance of the microphones for a few moments and allow the hon. member to direct his question. If we are all peaceful and quiet we can hear the question and the answer can be heard also.

Mr. Korchinski: I have no difficulty there, Mr. Speaker. I should like to rephrase the question I put to the Minister of Agriculture a few moments ago, because he did not comprehend that I was referring to the payment of the butter subsidy. I am wondering whether he is employing extra staff, or whether his department has had the use of a computer in the last few years to calculate the amounts of money to be paid to these producers.

Mr. Olson: Yes, Mr. Speaker. Records of all producers are kept by a computer and we can draw this information from the computer tapes.

Mr. Korchinski: Bearing in mind the fact that some creameries have been closed, may I ask how the minister is able to cross-check to confirm that these creameries are closed?

Mr. Speaker: Order, please. I suggest we are entering upon debate at this point.

Mr. Korchinski: What is wrong with that?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

* * *

COMMUNICATIONS

DANGER OF CONFIDENTIAL PERSONAL INFORMATION BEING STORED IN COMPUTERS IN UNITED STATES

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I have a question for the Minister of Communications. Is my hon. friend considering action to deal with the rapidly accelerating take-over of credit agencies in Canada by United States firms and the consequent danger that personal and confidential information will be stored in the United States rather than in Canada?

Hon. Robert Stanbury (Minister of Communications): I have no mandate to deal with credit bureaux, but we are aware of the possibility of the transfer of personal information to computers and, particularly, to remote computers. We are studying the implications of this. I personally, would consider it a matter of concern if personal data on Canadians were transferred by Canadian companies to any foreign country.

* * *

EXTERNAL AFFAIRS

DISPOSITION OF FUNDS TO ASSIST EAST PAKISTANI REFUGEES IN INDIA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether he is in a position to reply to my question of yesterday concerning the state of our latest contribution to relief for Pakistani refugees?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. I am not in a position to answer

the question immediately. I am having my officials check the situation. I would like to answer the whole of the hon. member's question, not only by telling the House what has been distributed to date, but also what recommendations will be made in view of the new situation we face now with the collapse of the East Pakistan army and the recognition by India of the state of Bangla Desh.

* * *

NATIONAL DEFENCE

ALLEGED BAN ON USE OF NEWS MATERIAL FROM PUBLIC SERVICE ALLIANCE BY EDITORS AT FORCES BASES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to the Acting Minister of National Defence. It has to do with a directive issued recently to news editors on Canadian Forces Bases across Canada banning the use of news material from the Public Service Alliance. Can the acting minister tell us why a form of censure has been imposed upon the receipt and utilization of such news material at this time?

Hon. Jean-Luc Pepin (Acting Minister of National Defence): I am sorry. This question is not answered in the minister's briefing book I was given a few minutes ago. I will check and answer the question tomorrow.

* * *

CONSUMER AFFAIRS

UNSOLICITED DISTRIBUTION OF CREDIT CARDS—POSSIBLE LEGISLATIVE ACTION

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. Has the minister's attention been drawn to the extensive distribution of unsolicited credit cards by the Canadian Tire Corporation, charging 24 per cent interest, and does he intend to take any legislative action against the sending out of unsolicited credit cards?

• (3:10 p.m.)

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, no, it has not. If the hon. member will send me the credit card I would be happy to take a look at it. There is no federal law at the moment against the use of unsolicited credit cards, although several provinces have acted in this area.

* * *

[*Translation*]

FINANCE

SUGGESTED DEVALUATION OF CANADIAN DOLLAR TO PROMOTE SALE OF PRODUCTS IN UNITED STATES—MINISTER'S POSITION

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to ask the hon. Minister of Finance a question.

[Mr. Sharp.]

Could he tell the House whether he is prepared to comply with the request of the head of the Canadian Chamber of Commerce and of three provinces asking for a devaluation of the Canadian dollar so that our products may compete with American products on the United States market?

[*English*]

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

* * *

REGIONAL ECONOMIC EXPANSION

ARGENTIA TASK FORCE—REQUEST FOR REPORT

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. On December 13 I asked the minister a question concerning the Argentia task force and whether it was still in existence. He offered to reply later. Is he now in a position to answer my question?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the task force is going to make another report. Because of certain circumstances in the province of Newfoundland it has not been possible to have a meeting until the last few days. As soon as I receive the report I will be able to inform my hon. friend of the contents.

[*English*]

Mr. Speaker: The hon. member for Vegreville.

Mr. Mazankowski: Mr. Speaker, I should like to direct a question to the minister in charge of the Wheat Board but I see he has left the House so I shall leave it until tomorrow.

* * *

VETERANS AFFAIRS

REQUEST FOR REVIEW OF REGULATIONS AFFECTING PAYMENTS TO VETERANS IN GREAT BRITAIN

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is for the Minister of Veterans Affairs. It deals with a newspaper report that several hundred Canadian war veterans living in Great Britain are suffering undue hardship because of regulations governing the payment of war veterans allowances. Would the minister say whether or not his department is prepared to review the existing regulations to determine whether some veterans are being wrongfully denied pensions or allowances under the act?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): Mr. Speaker, no veteran is wrongfully denied his pension. A veteran's pension follows him wherever he goes in the world. However, with reference to war veterans allowances, which are a very special social measure, it is very difficult to administer them in other countries. This is why there is a qualification of at least one year's residence in Canada. The qualification was established by Parlia-

ment in 1962. All those who otherwise qualify, and who have lived for at least one year in Canada since the war, are receiving their war veterans allowances.

Mr. Speaker: The Chair will recognize one last supplementary and then call orders of the day.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, would the minister advise if he is prepared to amend the War Veterans Allowance Act to repeal the one-year residence rule for those veterans who are in the United Kingdom?

Mr. Dubé: Mr. Speaker, this Parliament has already considerably enriched war veterans allowances and disability pensions. What the next Parliament will do I do not know, but we are always heading in a more generous direction.

Mr. Speaker: Orders of the day.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, may I be permitted to ask the government House leader about the business. In my anxiety about the breakdown of communications I forgot to ask the government House leader about the business he has for the House for the remainder of this week, next week and following.

Mr. MacEachen: Mr. Speaker, the business for tomorrow is fairly well known to hon. members but I should like to mention the remaining items on the order paper that I would like to have disposed of before we terminte this part of the session. These items are as follows: Bill S-9, which I understand will require a very short further discussion, Bill C-176, Bill C-260 and Bill C-261, the latter two being the budget bills emanating from the June budget. I should also mention that there will be a further budget bill arising from the so-called budget statement of the Minister of Finance in October, which will give effect to the tax changes that will take place in this calendar year, so that by proceeding in that way we will not run into the procedural difficulty that we might have encountered had we attempted to put in one single bill the total tax changes involving this year and next year. This is not necessarily the order in which I will call these items. I have already discussed with the House leaders opposite my wish to have the Northern Canada Power Commission bill and the Canadian Wheat Board bill, which are at the report stage, reinstated reasonably close to that stage or at that stage when we commence the new session.

The termination of this part of the session, Mr. Speaker, will depend upon the readiness of the House to deal with these items I have mentioned and also when we will have Royal Assent affecting these bills and particularly Bill C-259. I should say, to provide some reasonable certainty to members, that in the event we are still dealing with business on Thursday next at ten o'clock it would be my intention not to have the House sit the following day and to have transport arranged definitely for hon. members to travel to their respective constituencies with less difficulty than may be expected at this time of year. But that is looking a bit farther ahead than may be necessary at the moment. However, I did want to mention it so that hon. members will be certain that in any such contingency it will be possible for them to be in their homes for Christmas.

Mr. Baldwin: Mr. Speaker, could the minister also indicate, within the reasonable limitations which he has mentioned, when we may expect to come back following our departure and whether he has heard from his parliamentary neighbour, after we do come back, how long we will stay before we depart for other adventures.

Mr. MacEachen: I regard the last question as being really a frivolous one and not really serious. I have some tentative dates I would like to put in a motion indicating when we would come back and when we would commence the new session, but I would like to have a word first with the House leaders on that point before putting it in the form of a motion or before announcing it in the House. I have no idea concerning what is going on in the other place—

Mr. Bell: There is a wake on there.

Some hon. Members: Oh, oh!

Mr. MacEachen: —but I hope they will follow their own lead.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, does it follow from what the President of the Privy Council has said that such business as the government wants through in this session it wants completed before we break, and that at that time it is to be simply an adjournment leaving prorogation until the day on which we return?

Mr. MacEachen: Yes, I think that would be the intention for a number of reasons.

[*Translation*]

Mr. Caouette: Mr. Speaker, I rise on a point of order.

I suggest we are "muzzled" by the sound system. When government members are talking, we can hear them, but whenever opposition members have the floor, we cannot hear a thing.

[*English*]

• (3:20 p.m.)

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Wednesday, December 15, consideration of the motion of Mr. Benson for the third reading of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, and the amendment thereto of Mr. Knowles (Winnipeg North Centre) (page 10464).

Mr. Allen B. Sulatycky (Rocky Mountain): In enumerating the very positive benefits which will result to the people of Canada from the new and improved tax legislation that we have before us now, one of the important items not to be overlooked is the employment expense deduction of 3 per cent of employment income up to a maximum of $150 a year for which no receipts will be required. This is something that the working people of Canada have long demanded. It is a real inequity when a person is required to purchase special equipment, tools or clothes in order to maintain a job and yet is not allowed to claim those expenses as legitimate expenses to earned income.

With this new provision in the Income Tax Act, anyone who has employment income will be able to claim up to $150 a year without receipts for those expenses. It will work very much like the medical expense claim which has existed in our income tax structure for many years. A claim for $100 for medical expenses is made as a matter of right by all taxpayers. Beginning next year all taxpayers in Canada who have employment income will be able to claim in addition either 3 per cent of their employment income or $150 as a legitimate deduction because that amount of money is considered to have been an expenditure they have made in order to carry on their employment. I think this is a very important improvement in the interests of working Canadians.

As I said earlier, the aspect of this bill which gives me the greatest satisfaction deals with the senior citizens of Canada, the people of Canada who have reached the age of 65 years or more. Up to now, taxpayers of 65 years or over have enjoyed only the same personal exemption as any other taxpayers. Those 70 years of age or over have an additional $500 personal exemption. When this bill is passed, not only will the taxpayers over 70 have that additional deduction but all taxpayers 65 years of age or over will have an additional exemption which will be increased from $500 to $650. In my opinion this represents another important step forward in the interests of our senior citizens.

There are a couple of other important improvements so far as the personal income tax structure is concerned. One is the allowance for moving expenses as a deductible item from income tax. Henceforth, from January 1, 1972 taxpayers who change jobs and are required to move will be able to claim the expenses of moving their households.

Lastly, the item I want to mention is the employer-paid living expenses for jobs at distant work sites. Until now, under our system, many employees were receiving living expenses when working at a distant work site. There are many people in my constituency who are in this category. The employer is paying the living expenses of that employee, and the employee must show those living expenses as an item of income and must pay income tax on the living allowances. The government has now recognized that in many cases this is an injustice. It is unfair to those taxpayers who are required to live at long distances from their home and for whom the employer pays the living expenses. In future, those living expenses will be a deductible item from the income tax.

I would like to touch briefly on some of the points that members of the opposition parties have made in the debate on this amendment and on some of the attitudes of the opposition parties which I believe should not go unanswered. I have described in some detail the benefits of this legislation for the average taxpayer in Canada. These benefits will result in a total tax reduction for the Canadian people of one and a half billion dollars, which represents about 10 per cent of the total federal budget. In fact, it represents a very substantial tax reduction taken as an aggregate. But despite this reduction, the very important programs of the federal government must continue and revenues must be raised in order to continue those programs.

In addition to that, any system of taxation which we have must be seen to be fair. The people who pay the taxes must not look at the system and say that it contains many loopholes which are available to certain categories of taxpayers. In order to bring about justice and to close these loopholes, it is perfectly clear that some categories of taxpayers, certain businesses, and certain special interest groups will have to pay more tax. No one is attempting to deny that. This is a fact that no one can hide.

However, what the Leader of the Opposition (Mr. Stanfield) is attempting to do is to protect those people who will be required to pay more taxes when he says that we should split the bill, give the benefits, but not pass any other portion of the bill until we study it further. I am sure that none of us really believe that the people of Canada are stupid, but that appears to be what the Leader of the Opposition is almost about to believe when he thinks that the people of Canada will accept that sort of suggestion. The people of Canada understand that when we are going to make massive tax cuts, as there are under the bill, someone will have to pay more. In searching for words to describe this lack of understanding on the part of the Leader of the Opposition—

Mr. Thompson: Don't search too hard, Allen.

Mr. Sulatycky: —the first word that came to my mind was "unaware". However, I would not want to accuse him of being unaware and it seems to me more appropriate to refer to the Leader of the Opposition as being "under-aware". I would think that the Leader of the Opposition is "under-aware" of the facts and of the wishes of the Canadian people. Especially in these cold winter months,—

Mr. McBride: He is long on johns and short on dollars.

Mr. Sulatycky: —people will think of the Leader of the Opposition as being "under-aware" when they think of his stand on this particular bill.

Mr. McCleave: What dignity you people add to this place.

Mr. Sulatycky: The Leader of the Opposition also said that it is a complex bill. Naturally it is complex. Any tax statute dealing with income tax in a complex, modern society must be complex. If it were not going to be complex why would it have required ten years to produce something that would obviously be regarded as fair?

• (3:30 p.m.)

There is only more point I want to make with respect to the attitude of the Conservative party and the Leader of

the Opposition. Last week when speaking in this House, the Leader of the Opposition said he would hazard a guess that if the estate tax provisions were left in the bill they would produce the revenues necessary to make up the difference resulting from the tax cuts. That is a pretty hazardous guess, Mr. Speaker. It is almost as hazardous as the guess he made when he said that what Canada needs now is a tunnel to Newfoundland, or when he said Canada needs a guaranteed annual income, or when he said what it really needs is a heavy water plant in Glace Bay that will probably never work.

An hon. Member: Not even now?

Mr. Sulatycky: The wrong decision was in building it here. It should have been built in western Alberta.

I now wish to refer to the comments made by the hon. member for Winnipeg North Centre (Mr. Knowles) when he moved the amendment to which we are speaking. He took the time allotted to him in this debate to go through a history, but only a partial history, of the personal tax exemptions under our income tax laws. He tried to convince the House and the people of Canada that what is being done here does not, in fact, result in a substantial improvement in the personal exemptions allowed Canadian taxpayers. I want to go into a little fuller discussion than the hon. member did with respect to that particular aspect.

The hon. member started from a point in the 1920's. He said at that time the personal exemptions were $1,200 for a single person and $2,400 for a married taxpayer. During the depression years, in 1933, the exemptions were reduced to $1,000 single and $2,000 married. During the Second World War, they were reduced even further to approximately $600 single and $1,200 married. The hon. member then said that in 1949, when they were increased to $1,000 single and $2,000 married, they were only being brought back to the 1933 level. Mr. Speaker, I suggest that the only way you can examine this logically is to go back to the beginning of the income tax system in Canada and look at how personal exemptions evolved in the Income Tax Act.

Under the first Income Tax Act passed in Canada the exemptions were $1,500 single and $3,000 married, or roughly the level that they will be after this bill is passed. Of course, tax rates were lower then, and governments provided few services. In addition to that, the general tariff rate was between 35 per cent and 40 per cent, and many of the taxes in this country were hidden taxes. They were not direct taxes, evident to everybody, as is the income tax.

If you follow the course of personal exemptions from 1917 on, it is very evident that as the government increased its programs and the benefits it provided to the Canadian people, the tax exemptions became lower. They reached their lowest point in the early 1940's at which time the government had become heavily involved in a number of very important social programs. But from that time on we have had a gradually increasing level of personal exemptions, and the increase in the exemptions being provided by this bill are the largest that have ever taken place under the income tax system in Canada.

It is also important that we remember, and that we point out that the personal exemptions in Canada are the highest of any country in the world. This is something of which any government could be proud, and of which even Canadians sitting on the other side of the House can be justifiably proud. We can be even prouder when we put that together with the fact that we now pay the highest old age pensions and the highest veterans allowances in the world.

Mr. Peters: I don't think those are the actual facts.

Mr. Sulatycky: If the hon. member has facts to contradict what I have stated, let him get up and disclose them. Mr. Speaker, I took part in this debate for a particular reason. I had not intended to, but I received one letter and one telegram telling me to get in and fight for the people, and vote against this bill. They came from very prominent Conservatives in my riding, so I decided I should get in and fight for the people, and see to it that this bill is passed as quickly as possible in order that the ordinary people of Canada will get the benefits when the bill is enacted on January 1, 1972.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, we had an interesting debate on the amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles)—

The Acting Speaker (Mr. Laniel): Order, please. I am told that the difficulty in the sound amplification system has not been solved, but if the hon. member could speak from the front row he would be heard. Would the House give consent to allow the hon. member to speak from a seat in the front row?

Some hon. Members: Agreed.

Mr. Harding: Mr. Speaker, we have had an interesting debate on the amendment moved by the hon. member for Winnipeg North Centre. I fully endorse it. Unfortunately, government members have failed to deal with the substance of the amendment. They have talked about everything else, but have carefully avoided giving reasons this type of tax relief should not be accepted by the House. The amendment which we are debating contains a very important principle. It suggests that a tax credit system be used by the government to provide tax relief to those who really need it.

What will this amendment proposed by the NDP do to the legislation before us? It will reduce the income tax rate on the first $500 of taxable income from 17 per cent to 2 per cent. This will result in a reduction of tax payable on the first $500 of taxable income from $85 to $10. It will, in effect, increase the exemption levels to about $2,000 for a single person and to about $3,300 for a married couple. It will benefit the most those in the low income brackets, although all taxpayers in the categories outlined in the paragraphs of section 117(1) will benefit to the extent of $75.

Over the years we have had a series of studies on poverty in Canada. A number of groups have made surveys and listed recommendations for minimum income levels. It is time the government fully recognized this problem. It could at least set minimum income levels and

then ensure that no income tax was levied on any income below those levels. This tax bill does not adequately meet in any sense the fair and equitable tax reform desired by most Canadians. May I point out to the House the sharp increase in the cost of living index over the years. Sometimes we forget this and do not relate it to the present-day conditions. I feel it is certainly an important factor in outlining the need for the tax reduction proposed by our amendment.

• (3:40 p.m.)

I will go back to 1949 when the income tax exemptions were raised to the $1,000 for a single person and $2,000 for a married couple. At that time the cost of living index stood at 77.4. Today it stands at just over 135. This is almost a 75 per cent increase in living costs over the past 22 years. It means, in effect, that there has been a drastic reduction in the purchasing power of the dollar. it seems to me that exemptions in the present legislation should at least meet this increase in the cost of living over the past 22 years. Our amendment will do better than this, but even then I feel it will not be high enough to meet those minimum standards of income which should be met and which should be tax exempt. An example of the present purchasing power of the dollar will be found in the fact that an article or a service which today costs $1.35 could have been purchased in 1949 for 77 cents. This erosion of purchasing power hurts everyone, especially those in the very low income brackets. We feel that the acceptance of this amendment would be a step towards the implementation of a tax system that would recognize the income needs of those Canadians who are most in need of tax relief.

Two days ago, the hon. member for Winnipeg North Centre pointed out some of the tax exemptions which we have had in Canada over the years. The previous speaker did a little more research and went back even further than the hon. member for Winnipeg North Centre. I should like to say here that the figures given by the previous speaker substantiate the position taken by the hon. member for Winnipeg North Centre when he pointed out that the exemptions proposed in the bill are not high enough. He pointed out that in the 1920's, the exemption levels were $1,200 for a single person and $2,400 for a married couple. In the 1930's, the exemptions were dropped to $1,000 for a single person and $2,000 for a married couple. During the war, the levels dropped again to $660 for single people, but after the war in 1949 the exemptions were raised again, this time to $1,000 for single and $2,000 for a married couple.

Those exemptions will remain until the bill currently before us becomes effective, then the new exemptions will be $1,500 for single individuals and $2,850 for a married couple. When someone talks about these exemptions being the highest in the world, it rather amuses me. Someone is always taking credit for something. Out in British Columbia, we have a route over one of our lakes which is called "the largest free ferry trip in the world". I suppose it is of political interest to the governments of the day to make these claims. But this government really has no justification for turning down an amendment which is going to give some tax relief to those who need it most on the basis that we have the highest exemptions in the world.

[Mr. Harding.]

I cannot agree with the Liberal member for York North (Mr. Danson), and a number of his colleagues, who claim that the debate on this important issue is both repetitious and a waste of time. I point out that it was the initial detailed and informative discussion which the opposition forced on those sections of the tax bill dealing with the co-operatives and credit unions that finally forced the government to reconsider their original proposals. It gave the members of the co-operatives and the credit unions time to mount a full campaign against the legislation. The combined result was a complete reversal of proposed government policy and a victory for those who believe in the co-operative and the credit union movements.

There are just one or two more points that I should like to deal with before I resume my seat, Mr. Speaker. I have listened to members from the government side of the House debating the amendment currently before us. I am surprised that every speaker carefully avoided giving any reason why we should not endorse the principle of the tax deduction called for by the amendment. One of their chief arguments is that a reference back to committee which this amendment calls for will open up debate on the whole bill. This is not a fact, Mr. Speaker. If we refer this particular section, it is the only section that will be dealt with by the committee.

I should like to point out to our liberal friends who say it is wrong to refer this section to the committee that this is the only method open to us on third reading. I will tell my friends on the government benches that if they agree to the amendment, the section can be referred to the committee and passed within a few minutes.

Some hon. Members: Oh, oh!

Mr. Harding: I understand that all opposition groups endorse it, and if government members will do the same, we can pass it and get back to the general debate with very little delay. I urge government members to support the amendment or to object to it on sound grounds, rather than on the phony issue of referring it back and indicating that it would take weeks of time.

Mr. McBride: Don't get political.

Mr. Harding: Some of the inadequacies of this bill will be improved by the acceptance of the proposal to reduce taxation on the first $500 taxable income from 17 per cent to 2 per cent. A saving of an additional $75 in taxation means a great deal to anyone, especially those living at or below the poverty level. Not only should this amendment be accepted by the House, but we should go on to set adequate income standards for all Canadians and then ensure that we do not take back in taxes any part of the income required to maintain that standard. I fully endorse the amendment moved by the hon. member for Winnipeg North Centre and urge the House to endorse it also.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The House divided on the amendment Mr. Knowles (Winnipeg North Centre) which was negatived on the following division:

Division

• (3:50 p.m.)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Brewin
Broadbent
Burton
Cadieu
Caouette
Carter
Coates
Code
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Douglas
Downey
Fairweather
Flemming
Forrestall
Fortin
Gilbert
Gleave
Godin
Grills
Gundlock
Harding
Howe
Knight
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Monteith
Moore
Muir
Murta
Nesbitt
Nowlan
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoreyko
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—92.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cantin
Chrétien
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Osler
Otto
Pelletier
Penner
Pepin
Portelance
Pringle
Reid
Richard
Richardson
Roberts
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting—123.

• (4:20 p.m.)

Mr. Speaker: I declare the amendment lost. The question is on the main motion. The right hon. Prime Minister.

Some hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we did have a good party last night, but I hope the applause will not disturb the electronic system further.

I should like to say at the outset that I anticipate a twinge of disappointment when this bill passes into law. The disappointment will not be over the bill, for it is a very good one, but over the fact that this exercise in tax reform will fall short by several months from occupying one full decade.

It was in 1962 that the government of the right hon. member from Prince Albert (Mr. Diefenbaker) established the royal commission on taxation. Now, in the closing days of 1971, more than nine years later, the exercise is coming to a conclusion. Has nine years been enough time? No, no, says the opposition. Let us keep at it still longer. The only thing that has dragged on as slowly in Canada in recent years is the heavy water plant started by the Leader of the Opposition (Mr. Stanfield) when he was premier of Nova Scotia.

Some hon. Members: Oh, oh!

Mr. Trudeau: I might add that with Liberal assistance, both of these projects will conclude successfully.

This legislation will place Canada's tax system in the forefront of any of the industrialized nations. It is a reform of the present outdated act with its hodge-podge of amendments, loopholes, plugs, interpretations and confusion. All of this will be replaced by a single modern tax structure. That in itself is reason enough to pass this bill and to be proud of our efforts. Sweeping away the cluttered debris which has accumulated since 1949 and putting in its place a rational tax system is in itself an accomplishment of considerable merit. This bill, however, is much more than a comprehensive income tax statute. It is relevant to the day's needs and it is sufficiently flexible to permit it to adapt to the needs of tomorrow.

An hon. Member: You are reading.

Mr. Trudeau: Above all, it is fair and equitable. It is fair because it removes from low income groups much of the disproportionate income tax burden which they now bear. One million Canadians will be removed from the tax rolls. A further 4.7 million will pay less tax.

Some hon. Members: Hear, hear!

Mr. Trudeau: The legislation is fairer because the tax burden has been spread so as to include those persons who benefit through capital gains; no longer will the load be concentrated only on salary and wage earners and businessmen.

It is fairer to mothers who wish to work, because it permits deductions for child care expenses, removing a deterrent which has kept many women in the home.

An hon. Member: You are reading.

Mr. Trudeau: It is fairer to those who are mentally or physically handicapped or disabled. Payments to schools for the care and training of such persons will now be deductible.

It is fairer to the elderly. The existing exemption will be increased and applied at age 65 rather than age 70 as at present.

It is fairer to all members of the labour force for it permits broad deductions of expenses incurred in moving oneself and one's family to another part of the country in order to accept a new job. A new employment expense allowance provides deductions in respect of special clothes, books and tools required for a job, putting the wage and salary earner on a more equal footing with the self-employed.

An hon. Member: You are reading.

[Mr. Trudeau.]

Mr. Trudeau: All this may be too complex for the opposition. It may be incomprehensible to them. But I suggest, Mr. Speaker, that it is not incomprehensible to the Canadian taxpayer.

Some hon. Members: Hear, hear!

Mr. Trudeau: It is not incomprehensible to the low income groups, to the elderly, to the handicapped, to working mothers. But hon. members opposite will protest. They will say they are in favour of cutting taxes. Mr. Speaker, the Conservative party is only opposed to taxing others. That is the essence of fiscal irresponsibility.

An hon. Member: You're reading.

Mr. Speaker: Order. I bring it to the notice of the House that any hon. member, even the Prime Minister, has a right to make a speech without being interrupted.

Some hon. Members: Hear, hear!

Mr. Muir: Tell them all that.

Mr. Speaker: My remarks are addressed to all hon. members equally. I am saying this objectively and with all kindness. I am inviting hon. members to bear in mind that it is difficult for the Chair to follow the speech which is being made, and uphold the dignity of this institution, if hon. members do not have respect for the rules.

Mr. Lambert (Edmonton West): Then let us take the speech as read, Mr. Speaker.

Some hon. Members: Oh.

Mr. MacInnis: On a point of order, Mr. Speaker, I would ask whether from now on it is permissible for any member of the House to read his speech, or does the present rule only allow hon. members on the front benches to read their speeches?

Mr. Speaker: The hon. member has referred to the rule which has often been quoted. My experience in the chair is that while a number of hon. members do make speeches without reference to notes, or copious notes, or prepared texts, other hon. members on both sides of the House do refer to texts from day to day. Hon. members on both sides of the House do refer to prepared texts at various times and I would think the leniency the Chair has exercised in this regard continues to apply. I would think it should apply in the present instance.

• (4:30 p.m.)

Some hon. Members: Hear, hear!

Mr. MacInnis (Cape Breton-East Richmond): On the same point of order, Mr. Speaker, I would ask again if it is the intention to shut off the hon. member for St. Boniface (Mr. Guay) when he is on his feet.

Mr. Speaker: It is aimed in the direction of all hon. members. I can assure hon. members I will try, objectively and fairly, to invite all hon. members not to interfere with hon. members who have the floor. I am not suggesting of course that members are not entitled to make interruptions or are not entitled to some degree of heckling, because after all this is the House of Commons and I

am prepared to accept this to some extent. However, there must be some measure of respect for the general rule that the member who has the floor is entitled to be heard. I appreciate that this applies to all hon. members and I shall continue to attempt to the best of my ability to enforce the rule in relation to all hon. members.

[*Translation*]

Mr. Trudeau: Let me help those gentlemen opposite who are not yet able, or willing, to grasp the essentials of this bill. One of its consequences will be an encouragement to Canadians to invest in Canada. It does this by substantially increasing deductions for contributions to retirement plans. This will raise substantially the level of personal savings available to finance capital investment in Canada.

The bill contributes to Canadian investment in still another way. Foreign investment of pension plans, deferred profit-sharing plans and registered retirement savings plans now may not exceed 10 per cent of assets if these plans are to qualify for tax-free treatment. This change will channel millions of additional dollars into Canadian investments.

The progressive reduction in the general corporate tax rate from 50 to 46 per cent in 1976 will bring this tax down to a level below that in the United States, our chief business competitor.

Canadian ownership of small businesses is encouraged by making the lower tax rate available only to Canadian-owned companies, and by penalizing non-resident control.

Canadians of all walks of life will be more likely to invest in risk activities because capital losses may now be set off against gains, and not lost totally as in the past. This feature of the United States tax system has long been cited as one of the main reasons why Americans invest in equity stocks while Canadians have sought the more assured shelter provided by life insurance and the bond market. Speculative losses incurred in the area of resource industries will be reduced.

An improved dividend tax credit will be an added incentive for Canadians of modest income to invest in shares of Canadian corporations.

And the bill puts Canadians on the same footing as some foreign nationals in mounting, or meeting, take-over bids. Heretofore Canadian corporations have not been able to deduct as an expense interest on funds borrowed to finance the purchase of shares in another corporation. American corporations have. Canadians will now be given an equal advantage.

Incentives in the resource industries will be related directly to exploration and developing carried out in Canada.

And in response to these incentives, Mr. Speaker, the Conservative party cries shame. Bad for Canada, they claim. Their reaction shows what a poor idea they have about what is good for Canada.

[*English*]

Relevance, fairness, growth incentives—these are bad? No wonder the Leader of the Opposition (Mr. Stanfield) confessed, on television and in living colour to bloody-mindedness. Canadians would be hard pressed otherwise to figure out what he was up to. Until that confession was made, I was convinced that the hon. gentlemen did not know where they were going. The ingredients of Conservative tax policy seemed to be the text of paid advertisements by affluent interest groups, seasoned with the latest statistics from some mail-in pressure campaign, then cooked for two hours in the heat of the weekly Conservative caucus meeting.

Some hon. Members: Hear, hear!

Mr. Trudeau: When the white paper was published in the fall of 1969, the Conservative Party responded in that instinctive, reactionary fashion of all federal tories. "Attack it, attack it" they cried. "Don't believe the government", they said. "The government will not make changes; we must stop this whole exercise", they called out. And so, as early as 1969 the people of Canada learned just how those hon. members viewed participatory democracy. They learned, too, how accurate was their leader's political forecasting, for we did make changes, just as we had said all along we were prepared to do.

Chapter two in the incredible odyssey of these wanderers in pursuit of a political issue revolves about the work of the Standing Committee on Finance. Hon. members will recall that at this time most provinces submitted briefs. The NDP took a stand. Canadians by the thousands expressed their views. The Conservative Party, however, declined to vote either for or against the report. This was their way of showing leadership. This was the expression of a credible alternative to the government.

Some hon. Members: Hear, hear!

Mr. Trudeau: Perhaps so many members of that party were out with fingers in the air testing the political wind that none could be spared for the committee on another matter. The opposition then claimed credit for the changes proposed by the committee. Their only worry, they said, was that the government would not accept them. The government, of course, did accept the bulk of those suggestions. Now, the hon. gentlemen argue against them. The road to glory is seldom without detours! I believe it was better stated by the right hon. member for Prince Albert (Mr. Diefenbaker) who said "It is a long road that has no ashcans".

Mr. Diefenbaker: The Prime Minister proved the truth of this when he evaded the constitution in 1968.

Mr. Trudeau: Those on the other side complain of lack of time; lack of time to study this bill and lack of time to debate it. The first point that they could not study the bill during the summer is not so much a complaint as an admission of their own inefficiency. Copies of the bill were distributed in the normal fashion to all hon. members and to the opposition parties' research staffs by July 12. If those on the other side were otherwise engaged throughout the summer, I cannot comment, but the facts are reasonably ascertainable. One can easily inquire concerning when the distribution office distributed this bill. It was done on July 12.

It is a matter of record that we are today on the 49th day of debate on this bill. Those cries from the other side, Mr. Speaker, come from those who do not feel that 50 House days of debate are sufficient on this item. I congratulate them on their ability to talk so steadily all that time. The

taxpayers of Canada shall forever be grateful to certain Members of Parliament for contributing so much useful information to *Hansard* and the permanent record.

• (4:40 p.m.)

At times, however, *Hansard* readers will assume that they have opened the pages not to a debate on taxation but to one on foreign affairs. The hon. member for Crowfoot (Mr. Horner) talked on October 22 about shortages of meat, fruit and fresh vegetables in the Soviet Union. The hon. member for Oxford (Mr. Nesbitt) was waxing eloquent about a room in a grocery store in Minsk when he was called to order on October 13. On October 20, the hon. member for Calgary North (Mr. Woolliams) was predicting difficulties in our relations with the United States as a result of something Premier Kosygin was reported to have said.

Some of the debate was even further out than that. The hon. member for Peace River (Mr. Baldwin) on October 18, delivered some remarks on witch doctors and about going to the bathroom.

Mr. Stanfield: It is always relevant.

Mr. Baldwin: That is what they use the bill for in Peace River.

Mr. Thompson: Don't talk about leaks over there.

Mr. Trudeau: I am not sure it was so much a political movement—

Some hon. Members: Hear, hear.

Mr. Trudeau: I rather suspect the hon. member wanted to deduct his expenses for such trips.

Mr. Baldwin: It was a Liberal movement.

Mr. Trudeau: The occult was also present in the speech of the hon. member for Mackenzie (Mr. Korchinski) when, on November 15, he made references to the devil.

[*Translation*]

Mr. Speaker, we on this side are proud of this important tax-reform measure.

We have little doubt that the vast majority of the Canadian people support our efforts.

For the first time in Canada, a government has invited the population as a whole to participate with it in the formulation of a major policy. That exercise in democracy has drawn from the opposition the charge, on the one hand, of uncertainty and, on the other, of arrogance. We leave it to the people of Canada to say what they think of such contradictory charges.

Mr. Speaker, the government created this opportunity for public participation more than two years ago; the public has responded during those two years, and this legislation, we believe, reflects that response. The two parliamentary committees held lengthy hearings and received submissions from thousands of Canadian individuals and organizations. As well, nearly every province put forward submissions.

This bill takes into account many of the basic concerns voiced by them. It reflects many of the recommendations of the Senate committee and it includes virtually all the important recommendations of the Commons committee. Above all, the government went as far as was feasible to accommodate the views of the public.

Still the opposition wants more. More debate, more time. Mr. Speaker, I say that they have more than made clear their indecisiveness. The government and the vast majority of Canadians are ready for decision.

[*English*]

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Halifax-East Hants (Mr. McCleave). Order, please. I apologize to the hon. member.

[*Translation*]

The hon. member for Témiscamingue, on a question of privilege.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I rise on a question of privilege. Before the amendment was put to the vote this afternoon, I was about to rise when a government member came to see me and ask me to postpone my intervention until after the vote. I agreed also to allow the right hon. Prime Minister (Mr. Trudeau) to make his statement after the vote. But now I am being ignored, without warning, and the floor is being given to a member of the Progressive Conservative party.

I wonder whether that was what was agreed upon before the vote was taken.

Mr. Speaker: The hon. member for Témiscamingue will surely understand my problem. Of course, I was not aware of the agreement reached by the hon. member and the representative of another party. In any event, I doubt that such an agreement can be binding on the Chair. As far as I am concerned at this point, I believe I should give the floor to the hon. member for Halifax-East Hants (Mr. McCleave), and then, to the hon. member for Témiscamingue. I could hardly do otherwise.

[*English*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, first I wish to express my appreciation for the courtesy in allowing me to use a place where the electronic apparatus in this House is still working.

It would be a temptation to deal at great length with the almost-maiden speech of the right hon. gentleman who has preceded me, but because it was an almost-maiden speech, and because I have some important things to say which I intend to say while at the same time keeping the debate on as high a level as possible no matter what the provocation, I will not be deterred long by what the right hon. gentleman did say. But he deserves correction, and correction he must receive. When he said that the tax reform procedure would fall short of a decade, he obviously forgot that his own Minister of Finance (Mr. Benson) was telling us on Friday that come next year, and early next year, we would be receiving amendments to the bill which we are now being asked to pass. Indeed, the Minister of Finance indicated this afternoon in answer to a question of mine that one of these would deal with deferred profit sharing plans. So, when the right hon. gentleman waxed lyrical about deferred profit sharing plans I was tempted to ask: which law is he referring to,

the law that we are going to have imposed upon us in a few days or the law that will be suggested to us in a few weeks time by the Minister of Finance?

In short, Sir, we have not done the job in this Parliament which should have been done with regard to tax reform. I see no mystical properties in numbers. Whether we deal with it in 50 days or 500 days, the important thing surely is that we deal with it properly instead of leaving large segments of it—and I shall be pointing these out later on—to the future session of this parliament and indeed to future parliaments. If we have only tackled about one quarter or one third of the job properly, then surely there is a lot of catching up to do in our housekeeping in the years ahead. This is unfortunate, because so much of the stuff is technical that to get into it you really have to do a lot of homework, the results of which in time evaporate and you have to go back for a refresher course.

Then the right hon. gentleman, following the lead developed so ably by the parliamentary secretaries in the last few days, put in some thrusts, not germane to this debate, against the Leader of the Opposition (Mr. Stanfield). But I will tell the right hon. gentleman this. He may not have been aware of events in Canada when heavy water started its rather unusual history, but the first people bounding and capering about at that stage were the President of the Treasury Board (Mr. Drury), the President of the Privy Council (Mr. MacEachen) and the present premier of the province of Nova Scotia. The laurels and halos with which they adorned themselves were somewhat wondrous to behold.

• (4:50 p.m.)

The third point in the Prime Minister's speech is one that has been used over and over again by government members. They are saying that next year one million people will be struck from the income tax rolls. What a confession of ineptitude that is, Mr. Speaker, an admission by the strangest yardstick of all that there simply isn't enough prosperity in Canada to go around.

When the Prime Minister talks about incentives to invest in Canada he forgets that the Patina Corporation has thrown up its hands because of the tax law, and has taken advantage of international taxation to move outside this country. It will treat us as hewers of wood and drawers of water because it can make more profit that way. This reminds me of a point that I will be making later, since it is a good example of the fact there are large parts of this tax bill that we have never properly dealt with in committee or on third reading. The flow of international capital and that sort of thing are matters we have not got our teeth into at all. Yet there has been concern about foreign investment in Canada. It is one of the liveliest issues of our time, but the record is pretty well silent with regard to it.

I do not know what kind of democracy the Prime Minister does visualize for Canada, or what he visualizes as the role of this place, but I thought it was a place to debate issues until they were properly resolved. I refuse to accept the fact that one man, or one man surrounded by 800 advisers in his office, or 165 trained seals in this Parliament, is going to tell me and my colleagues what is proper for Canada. We will play our role. They can play their role.

I come now to the main burden of my remarks, Mr. Speaker, but before doing so, and thinking about the wisdom that came out of the original white paper, I would like to ask the Prime Minister whatever became of those delightful creations known as the widely-held and the closely-held corporations? They were sunk without a trace, as common sense continued to improve on the original somewhat outlandish proposals put forward in the white paper. On that score, the record will clearly show that the Leader of the Opposition and other hon. gentlemen were responsible for raising alarms and cries at the first opportunity in order to get some kind of shape put into some pretty wild proposals.

Sir, I will be moving an amendment at the close of my address after the supper hour, and so that nobody will be surprised I can say it concerns an old friend that may be found at page 10,272. My first observation is that we are operating under a time allocation. In this respect I agree with that verbal purist, the hon. member for Hamilton-Wentworth (Mr. Gibson). It must be nice for him to have a friend in the House because this afternoon the government House leader didn't care a hoot for him. However, I must agree that it is time allocation and not closure.

Time allocation, Sir, in relation to closure, bears the same relationship as the devastation wrought by a hydrogen bomb bears to that wrought by old fashioned atomic bomb. Time allocation—what an innocent phrase; you can almost imagine it being used in proper debating societies. But what devastation it creates when brought into a Parliament where, within two hours, one can transform a meaningful type of debate into a hateful type of debate such as we have been asked to undergo for the last couple of days. And it is hateful. There is nothing more injurious to the spirit of a Member of Parliament than to be told that at some point in time the rope is to be applied to him and he will be hauled off stage, and particularly when so much of the work on this tax measure remains unfinished.

When I sat down to compose my speech—it is on this little piece of paper and will not be read—

An hon. Member: No speech writers?

Mr. McCleave: No, not even one. In the spirit of Christmas, I set down the points in this income tax bill that I thought would be acceptable to all of us in Parliament. The Prime Minister has covered some of them, but I will refresh his memory on what we have been dealing with in this House. We have been dealing with exemptions; extra exemptions for the elderly; extra deductions for the blind; the matter of moving expenses; the matter of child care expenses; medical expenses; the changes for the co-ops, credit unions and caisse populaires; the income averaging for those on the income escalator, but unfortunately not for those going down; capital gains not to be applied to principal residences; the federal estate tax to be eliminated. There is a bit of mixed blessing about the last one, Mr. Speaker, because the provinces now seem to be moving rapidly into that field, so that instead of the government getting rid of the double whammy with the capital gains tax, and the estate tax it is reduced to a 1½ whammy, in that the capital gains tax will apply plus whatever provincial rate of succession duty or estate tax that is decided.

I thought also that there was a remarkable amount of common sense in the proposals put forward by the finance committee. Some of us worked hard for them on that Finance Committee which has received such a kicking around in the last couple of days. I think the Minister of State for Science and Technology (Mr. Gillespie) made his contribution there. He did an outstanding job, as did other members in all parties. We worked, and much of our accomplishment was reflected in the legislation. Those, Sir, are the provisions that I think can be welcomed. I gather it is five o'clock, and when I resume at eight I may be permitted to discuss provisions that are abhorrent, that never did get a good going over in this Parliament. I will point out one of the breaches of faith with a former Liberal prime minister that the government has committed, and then I will move my motion.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brandon-Souris (Mr. Dinsdale)—National Library; the hon. member for Greenwood (Mr. Brewin)—Transport; the hon. member for Algoma (Mr. Foster)—Agriculture.

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

PRIVATE BILLS

MIC MAC OILS (1963) LTD.

The House resumed, from Thursday, September 16, consideration of the motion of Mr. Sulatycky that Bill S-16, respecting Mic Mac Oils (1963) Ltd. be read the second time and referred to the Standing Committee on Transport and Communications.

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

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion? Carried.

Motion agreed to, bill read the second time and referred to the Standing Committee on Transport and Communications.

• (5:00 p.m.)

Mr. Sulatycky: Mr. Speaker, on a point of order. I wonder if I might have the unanimous consent of the House to have all stages of this bill passed this afternoon.

Some hon. Members: Agreed.

[Mr. McCleave.]

Some hon. Members: No.

Mr. Deputy Speaker: The motion has been adopted. Accordingly, the said bill stands referred to the Standing Committee on Transport and Communications.

UNITED BANK OF CANADA

Mr. D. Gordon Blair (Grenville-Carleton) moved that Bill S-22, to incorporate United Bank of Canada, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, the bill before us was proposed—

Mr. Deputy Speaker: Order, please. I understand this is also resumed debate.

Some hon. Members: No, no!

Mr. Peters: Mr. Speaker, I imagine there is some merit in this bill that the mover would like to mention and, if so, I should like to hear what he has to say.

Mr. Deputy Speaker: I think that would be fair. The Chair apologizes to hon. members. I was under the impression that it was resumed debate and that the hon. member sponsoring the bill had spoken. Is there consent for the Chair to recognize the hon. member for Grenville-Carleton (Mr. Blair)?

Some hon. Members: Agreed.

Mr. Blair: Mr. Speaker, this is a proposal to create a new bank and it comes before the House in the standard form of the bill which is attached as an appendix to the Bank Act. This bill is sponsored by a group of eminent Canadians. One reason for advancing this particular proposal has been the feeling that there is room in the banking business in Canada for representation of a wider spectrum of Canadians than appear to be represented in the present banks.

The sponsors of the bill are those who are listed as provincial directors and their names are: Mr. B. V. Levinter, Q.C., a barrister and solicitor in the city of Toronto and his father Mr. Isadore Levinter, Q.C., of the same city; Mr. Zenon Gutkowski, a chartered accountant from the city of Toronto; Mr. Adiuto John Pianosi, a prominent resident of Copper Cliff presently associated with the University of Sudbury, and the building trades in that city and Dr. Gerald LaSalle of Sherbrooke.

The bill proposes an initial capital of $20 million and in all other respects it conforms with the requirements of the Bank Act and the Superintendent of Banking. It has been discussed at length in the other place where the provisional directors appeared and explained the proposed operation of the bank in detail.

Mr. Speaker, this is one of the proposals which comes before us by way of being a bill for the incorporation of a bank or a private company. The most important thing from the standpoint of this House is to receive full explanation and full evidence from those who are making the proposal. This can only be done by the people who originated the proposal for the bank in evidence to the appropriate committee, in this case the Committee on Finance, Trade and Economic Affairs.

I commend this proposal to the House and hope that the House will be disposed to permit the bill to come quickly to the Standing Committee so that a full exposition of all aspects of this new bank can be given to the committee and hence to this House.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, from time to time we have had banks, investment companies and agencies coming to us with a proposal to establish a new bank. In recent years most of these banks have failed, though one has been partially successful. This raises a very important problem which must be faced by Members of Parliament.

Unlike the United States where someone with a lot of money sets up a bank and is in the lending business, in Canada banks have been restricted by legislation as to the areas in which they can lend, the circumstances of lending, and have been restricted by law as to the proportion of reserves they must hold. There is also a responsibility on behalf of the Canadian public to see that no depositor may be in fear of losing his money. The history of Canadian banking is as good as that of any country in the world and we should take credit for that type of legislation, for the sense of responsibility of our legislators and the operation of the banking institutions, as well as the fact that in many, many years we have not seen any difficulty with the banking institutions in Canada. This record has not been duplicated in many countries. Our banking institutions are spread across many lands on several continents. They have joined with other banking institutions in Switzerland, the United States and Great Britain and have provided a service that is generally accepted to be of a very high level.

If this is so, and I think most people would agree that it is, then we have a responsibility to see that the situation does not change. Just the other day when someone remarked that money only comes from taxes and the government does not have any, the leader of the Social Credit party asked, "Why not?" I am sure most Canadians have asked themselves this question. When we need more building, more capital for agriculture, more capital in the area of resources and development why can the money not come from the banks? Why do we have to set up an Industrial Development Bank which says that before it will give approval to a proposition put forth by an entrepreneur, he has to have been rejected by two chartered banks? Obviously, we have not said that a proposition has to be turned down by six banks because if it is turned down by one it will probably be turned down by any number.

The question asked by the leader of the Social Credit party was about the role Canadian banks play in the development of our economy. He also asked, what role can they play in the expansion of industry and employment or are they only institutions to lend money, to make deposits and make investments on behalf of depositors? That is an important question and one to which I would like an answer. I really am not sure whether the banks have a right and, in fact, a responsibility to act in a larger sphere than that in which they now operate.

I know that in cases there may be a particular individual operating a particular bank which gets a reputation of being a collector. Sometimes, if a bank gets into serious difficulties in a community another bank manager is appointed. The new manager may be nice; that is, he may lend money more readily than the fellow he replaced. Then, when the bank has trouble collecting the money lent, another manager is installed and he might be known as a collecting manager. Under him the bank will start collecting and foreclosing mortgages.

• (5:10 p.m.)

In the main, however, there is absolutely no competition in the banking industry, as we know that industry. People who want to deposit their money will get the same rate of return at one bank as at another. Recently, however, there have been changes. The banks have been going into the small loans business because they are not under the same restrictions when lending small amounts that would otherwise apply. For instance, the rate on small loans does not have to be about half a percentage point within the rate set by the Bank of Canada. There is nothing like that in this field. The banks borrow this money at a certain rate, and lend it. They make a reasonable mark-up. Also, the banks have gone into other fields. I heard that the Bank of Commerce was talking about setting up a mortgage company. Apparently the bank will lend that company money for housing and investing, the idea being that such a company can lend money at rates higher than the bank would normally be able to charge. It seems that such subsidiary operations can be more valuable to the bank than its main banking operation.

According to my reading of the proceedings before the Senate Committee on Banking, Trade and Commerce, the people backing this bank want to go into the banking business to make lots of money. I know that they talk about social and economic conditions. Nevertheless, it is interesting to note this comment appearing in Issue No. 37 of Wednesday, October 6. On being asked why he thought the investment houses thought this bank would be worthwhile, Mr. Dennis Dwyer, President of Chartec Limited said in part:

> The comments made by those who were positive may be summarized as follows: One, investor interest in Canadian chartered bank shares in general is high, in view of the high return on capital investment. Investor interest in the United Bank, solely on the grounds of the provisional board's responsible and deliberate actions to date, has given the impression that the investor believes that the basic policies of the bank will ensure a profitable operation.

I am not interested in banking institutions being profitable investments. In this connection may I say I was shocked when I heard that a former member of this House advised a friend of his to buy Bank of Montreal stock because, as he said, that stock would soon be split and profits would be made. You know, for 20 years the banks did not split their stocks. The banks were considered blue chip investments. If you wanted an investment as safe as the rock of Gilbraltar, you bought bank stocks. Although you might not get rich, you at least were not buying speculative stock. I asked a number of people, because I thought that was pretty silly advice, what they thought of it. They agreed it was pretty silly advice. Well, it did not turn out that way. After this person had bought several thousand shares of Bank of Montreal stock, that stock was split and he made a considerable profit. What interested me was the fact that this particular bank stock

proved as rewarding as any major speculative stock in the resource area.

Even though some may suggest that bank stocks are good investments and that if the free enterprise system is to work we should set up another bank, I am not at all sure that we need to set up any more banks. Actually, I am not convinced that the trend that has developed in banking in Canada during the last 20 years is not a good one. The Dominion Bank amalgamated with the Bank of Toronto, to become the Toronto-Dominion Bank. The Imperial Bank joined up with the Bank of Commerce. I could give more examples. I think most major banks seem to have amalgamated with other banks in the last few years. Now we are getting down to the point where there are only five or six major banks in this country, if we exclude one small bank in Canada that operates in a peculiar way under the Bank Act because it is not Canadian owned or controlled. By amalgamating, the banks have grown bigger. They have branched out into subsidiary operations, small loan operations and mortgage operations. The trend has not been towards the development of another bank.

I was going to say, Mr. Speaker, that if I go to borrow money at the bank the rate I will pay on that money is fixed. That, however, is not quite true. If I do not need the money, the rate will be lower than if I need it badly. It is easier for me to borrow money when I do not need it badly. When I need it desperately, I may not get it, and when I do not need it the banks will lend it to me. That has been my experience. However, if I needed a loan desperately, I would be "hosed" with regard to interest rates no matter whether I borrowed from the Bank of Nova Scotia, the Royal Bank or any other bank. I think the financial pages will tell you what you normally have to pay for a loan. That is to say, you know how much the central bank charges the chartered banks. That rate does not vary as between banks. Of course, from an investor's point of view, bank stocks are lucrative, since banks are making considerable profits. However, speaking as an individual who does business with the banks, I say that if you discount the personality of the bank manager and ignore the makeup of the people who work in a bank, there is really no difference between one bank and another. Therefore, why should there be another bank?

It costs a great deal to set up banks. In my town, which has a population of 3,000, there are three banks. Other towns with populations of 17,000 or 18,000 enjoy the services of perhaps seven or eight banks. It appears that in some towns there are more banking institutions than companies that bank money. Old bank buildings are not abandoned. The banking operation is carried on in buildings which no longer belong to the bank that carried on business there. Even after amalgamation, old leases are kept in force. The banks like to operate a second branch in a community. For example, on Sparks Street there are two banks of the same name and occasionally when I just put "Sparks Street" on my cheques and not the full address of the bank, my cheques are sent back NSF. I do not have money in the big bank; I only keep it in the small one. Clearly, we have ended up with more buildings than we need in the area for the provision of banking services.

Surely, social reasons have not been a factor behind the setting up of banks. If you go to the caisse populaire or credit union to borrow money, you will be treated differently than you would be by the small loans department of one of the chartered banks. They have a different method of handling loan operations. Also, if you go to a finance company, you will be treated differently again. Of course, I am told that finance companies handle collections in a way that is totally different from the way credit unions, caisses populaires and banks handle those collections. I suggest, Mr. Speaker, that we must be very careful before we set up any vehicle for the making of money in banking. Frankly, I want to see a bit more competition in the banking field. I should like to be able to go to one bank and, after hearing they will only pay 4 per cent on my deposit, go to another bank which might offer 4.25 per cent, or to a third bank which might only offer 3.75 per cent. If that were possible there would be some competition in the banking field. At present I do not think there is. If one bank changes the rate on deposits, all other banks in Canada follow suit. There seems to be absolutely no value from the general public's point of view in having seven or eight banks in this country. There is a cost. It is a bit like an insurance company. If an insurance company moves into a town, it costs money to erect a building. Someone has to pay. I am inclined to believe this cost is added to my car or life insurance. It is added there and in the end, I may pay. If an insurance company is established, it will make money. It is a good investment. However, it may not be in the interests of the nation.

• (5:20 p.m.)

Members opposite talk about competition. I am sure no member opposite will indicate that he knows of competition in the field of banking. It may be a great way to make money on an investment, but as far as the general public is concerned there is no competition between banks. Banks do not serve the needs of the people to the level they should. If they did, we would not have the Industrial Development Bank or Central Mortgage and Housing Corporation. We are the people who are taking all the risks in the investment field in this country. We handle all the bad investments and allow the banks to handle the good ones. It seems foolish to allow a number of people to come before Parliament and say that they have talked to 80 investment companies, that these 80 investment companies have visited and questioned the people who invest with them and have decided that a new bank is a good investment, a good place to make money. It is a place where you can put your money with a good chance of a high rate of return.

I am no more sure than the member who asked the question whether the banking institutions should not play some role in the development of our industries. We have plenty of banks to supply the necessary competition. If we do not believe that, then members of Parliament in the past were derelict in their duty to Parliament and the Canadian public. I do not know of any banks merger that was turned down. There has never been any consideration given to turning one down.

We have decided that bank mergers do not come under the Combines Investigation Act. These mergers are not the type that will contribute to abuses of the competition system. You cannot use that argument, however, and at the same time maintain that we are a free enterprise

oriented people and we want another bank. What is wrong with having 100 or even 1,000 banks? Are there any Members of Parliament who say that we have too many?

We have the same situation with gasoline outlets in every community. One outlet is a total necessity. You cannot run any motor vehicle without a gasoline outlet. It may even make sense for each major company to have an outlet in a community. In the small town where I live, most major companies have three outlets. There is no possibility whatsoever of each of them making money. Many are not being operated as service stations. Competition does not exist. The price of gasoline in my area is five cents or six cents more per gallon because the gallonage distributed in that area is so low. Service stations cannot afford to have a reasonable staff and pay their overhead. They regularly go broke. Some service stations perpetually have a "for lease" sign on them. With 1,000 banks in Canada, we could reach the point where many of their buildings would have vacancy signs on them. If members agree that 1,000 banks would be too many, then how many should we have?

To date there is no evidence to show that the number of banks we presently have is not sufficient to meet the needs of the Canadian public or that any additional banks, no matter for what purpose, operated under the Bank Act would serve any purpose that is not being served by the chartered banks now in existence. They have a very high proficiency. For many years they have provided good service to the depositors and others involved with those institutions.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, the House is now considering Bill S-22 "An Act to incorporate United Bank of Canada" which was introduced in the Senate. The preamble of this bill reads as follows:

Whereas the persons hereinafter named have by their petition prayed that it be enacted as hereinafter set forth, and it is expedient to grant the prayer of the petition:—

Section 2 of the bill provides that:

The persons named in section 1 shall be the provisional directors of the Bank.

Mr. Speaker, the perusal of certain documents which we have received concerning this bill would lead us to believe that the establishment of this bank as provided by Bill S-22 would be the implementation of one of the most humanitarian programs.

Actually, the persons whose names appear in the bill have attempted to explain to us by other documents that they wish to operate the bank in an area which lacks appropriate banking services.

That may be so, Mr. Speaker. It is possible that the new bank will serve minority groups. Even then, however, I cannot ignore the fact that this bank would operate according to the provisions of Bills C-190 and C-222 which have been passed by this House thanks to the support of Liberal members who, as is the case today, were in power in March 1967.

Since business transactions in this country indicate that less than 10 per cent of banking operations are carried out with money released by the Bank of Canada, that is coins and bank notes, we have to conclude that the new bank which might open its doors if Bill S-22 were adopted would operate in the same manner as other chartered banks in Canada which means that it will have the authority to extend credit. If that bank receives, for example, bank notes that the saver was keeping at home, it will be able to use it to create further deposits in the form of loans. Considering that banks need to keep on hand only a certain amount of bills, roughly 7 per cent of their assets, they will be able to use the rest, keeping at the same time a statutory reserve, to create currency.

• (5:30 p.m.)

Mr. Speaker, I imagine that all hon. members know quite well that banks may not lend their deposits but that they can use coin and paper currency committed to them to create more credit by increasing their statutory reserve. This is what is called multiplication of credit pursuant to the federal act which allows them to do so. Under the authority presently granted to them the banks determine the amount of money in circulation in our country.

When a bank grants a loan, either to a contractor, to a businessman or a government, new financial credit is born. The banker writes down the amount of the loan granted in the account of the borrower as if he had deposited that amount. The borrower neither brought it in nor deposited it because he came to the bank to get money he did not have. The borrower may draw cheques on that account that he did not have when he went in but that he did have when he went out.

No other account of any other client of the bank has been reduced. So it is an account added to those already there.

It is correct to say that without any danger to the depositors banks can in this way create 16.6 times more currency. The chartered banks do not print bank notes but they open accounts and create new credit that they use to make loans as if they had saved the amounts of such loans.

This creation of credit can total up to 16.6 times the initial amount. The present federal act authorizes banks to issue, for example, $1,666 in the form of new credit provided that they increase their statutory reserve by $100.

A person makes a $100 deposit in his savings account. The bank will be able to issue, under the form of credit, as many $100 as there are $6 in the $100 savings. In short, that boils down to the fact that every year, the chartered bank can get an interest of 9 per cent on $1,666, namely $160, whereas it had at the outset only $100 as savings deposit.

You will agree with me that, when it comes to yield on an investment output, one can hardly find anything better.

By enabling the people whose names appear in section 1 of the bill, namely Messrs. Isadore Levinter and Benjamin Victor Levinter, barristers, as well as Mr. Zenon Gutkowski, chartered accountant of Toronto, and Mr. Adiuto John Pianosi, executive, of the town of Copper Cliff, in the district of Sudbury, to establish a bank, we are granting them a very special privilege, I think. Five years ago, one might have said they struck a gold mine. But as the price of gold is unsteady at the present time and as extracting it means hard work, the power that will be

granted those gentlemen—if Bill S-22 ever goes through—to incorporate themselves in order to lend money is much greater than any of the benefits enjoyed by concerns other than banks.

And the British associate-secretary to the Treasury, Mr. Ralph W. Hawtrey, was aware of that kind of operation since he dared state once, and I quote:

Whenever a bank lends money, it creates money out of nothing.

Mr. Speaker, I would like to quote a few articles I have been reading in various pamphlets:

The multiplication of credit by banks is a recognized fact.

1—The Bank of Canada balance sheet for each year from 1957 to 1960 reveals that coins and paper currency make up 8.2 per cent of our money in circulation while credit created by banks accounts for 91.8 per cent.

2—We have many statements from authorities in this field:

(a)—A Canadian financial authority, Mr. M. W. Trimble from the Ryerson Institute of Toronto, wrote in his book *Understanding the Canadian Economy*: "We already know that the most considerable form of money is credit and that most of the credit is created out of nothing by banks. Banks lend money which comes from nowhere and which goes back nowhere when the loan is reimbursed. Practically all bank revenues derive from interest paid on money which does not exist."

Mr. Speaker, I would like to emphasize the last sentence by quoting it again:

Practically all bank revenues derive from interest paid on money which does not exist.

And I go on with the quotation:

(b)—The Governor of the Bank of Canada, Mr. Graham Towers, appeared in 1939 before the parliament committee on banking and commerce and revealed the extent of credit created by chartered banks.

Here is the text of an exchange between Mr. Graham Towers, former Governor of the Bank of Canada, and a witness during a meeting of the committee on banking and commerce:

Question: You say they cannot lend what they do not own?

Answer: That is true. Banks cannot make loans with depositors' money. They have no control over what depositors do with their savings.

Question: What if they happen to have deposits to lend?

MR. TOWERS: They do not lend those deposits.

Question: But there is no doubt that the bank provides a means of exchange?

MR. TOWERS: That is true. That is why they exist—These are banking transactions, in the same fashion as steel plants produce steel—Here the manufacturing process is to make an entry on a card or in a book with pen, ink and a typewriter. That is all.

Question: 95 per cent of our business consists in withdrawals on bank accounts, that is in entries in bank ledgers, against which people issue their cheques.

MR. TOWERS: I believe that this statement is true.

Question: When the government delivers a $1,000 bond to the bank, how does the bank purchase it? Does the transaction involve the creation of additional money?

MR. TOWERS: It involves the creation of additional money.

Question: In other words, when $1 million worth of bonds is offered to the banks, new money or the equivalent of $1 million is being created?

MR. TOWERS: Yes.

Question: The same happens when a municipality or a province borrows?

MR. TOWERS: Or an individual borrower.

[Mr. Godin.]

A distinguished English banker, Mr. Reginald McKenna, who was for some time Minister of Finance in his country and then many years as chairman of the Midland Bank, one of the larger banks of England, said at the 1934 annual meeting of the shareholders, and I quote:

People generally ignore that the money supply depends on the action of the banks. Any bank loan, direct or unsecured—increases outstanding credit, and any reimbursement of a bank loan cuts the supply by that much.

Having been a Minister of Finance, Mr. McKenna knew very well which of the two powers was stronger, the bank or the highest government of the country. He was even candid enough, a rare occurrence among bankers at that level, to declare:

They (the banks) control the nation's credit, direct government policies and hold in the hollow of their hands the fate of the populations.

Mr. Speaker, in short, if United Bank of Canada opens its doors, it will be empowered to issue money and credit, to condition the money and credit supply, to determine the duration of that credit supply, the power to demand reimbursement at a date set in advance, under the penalty of seizure of the debtor's assets which are the outcome of his labour, setting also the terms for the discharge or reimbursement and requiring some guarantees.

• (5:40 p.m.)

The bank, empowered to lend money originating from nowhere, will belong to the group of banks that control the national credit, establish government policies and hold in their hands the fate of the people. Even if there is another institution to help them, those who control money and credit will not grow a single stalk of wheat, sew up a pair of shoes, build a single house or part of a road.

Mr. Speaker, by allowing the creation of another bank, we are merely adding to the number of institutions exploiting all levels of governments as well as all classes of society.

As regards individuals, corporations and governments, this new bank will control the right to mobilize the talents, good wills and natural resources of the nation. It will grant or refuse, but it will get into debt all those who will come up to its counter.

Mr. Speaker, if Bill S-22 passes, it is obvious that the old parties will have one more institution that will subscribe to their electoral funds.

And since I have been elected with quarters collected by volunteers among my electors, I have no qualms about asking senators to prepare another legislation likely to make changes in the present system which enables banks to exercise their power like bandits.

For the information of Canadians, bills like Bill S-22 must be opposed. What we need to satisfy the requirements of the community is an act to improve the monetary system in Canada.

The state must get its financial sovereignty back, as well as its control over the issue and volume of money and credit.

Mr. Speaker, Canadian experts know it and, if they are honest, they will say that all we need now is to establish a commission with full authority which it could get from Parliament.

In 1935, the right hon. Mackenzie King stated, and I quote:

As long as control over currency and credit has not been restored to the government and acknowledged as being its most obvious and most sacred responsibility, any talk of democracy and Parliament supremacy is vain and futile.

If my party is re-elected, we will assert our monetary policy in the greatest battle between high finance and the people ever witnessed by Canada.

Mr. Speaker, the great battle announced by the right hon. Mackenzie King never took place. That is why, following a series of treasons, we are advancing rapidly towards the ruin that he predicted.

The very serious question of public debts on which high interests must be paid, and of the taxes unjustly imposed for this purpose and which will never be reimbursed, should make the Canadian people stop and think.

The public debt has reached such high proportions that one wonders whether the kettle will not explode.

The question is so serious that it can be said that it is the scandal that beats all scandals: the original source of subversion.

Mr. Speaker, we Créditistes are alone in denouncing this, while the opinions of one's father, one's mother, one's teachers, the school authorities, and the Church are all challenged. Everyone is proceeding blindly, being occupied with mere futilities. Nothing is said, however, about the scandal that beats all scandals, but the facts are there: the federal government, the provincial governments and the public bodies get into debt at an increasing and shocking rate. Their debts, together with personal debts total $100 billion.

A publication of the Treasury Board reveals the following, and I quote:

In 1867, the total debt of Canada amounted to slightly more than $93 million.

In 1900, it amounted to over $346 million.

In 1933, it reached $3 billion.

At the end of the war, it was close to $10 billion.

In 1971-72, it will amount to roughly $40 billion.

Mr. Speaker, what is true of Canada is also true of the individual. *Le Devoir* for March 9, 1971 reported, and I quote:

—consumer credit, at the end of 1970, amounted to over $11.3 billion.

With ever increasing personal debts, it will likely reach $12 billion by the end of the year. That is $12 billion of personal debts for 20 million Canadians.

All in all, Canadians owe to financial magnates these astronomical amounts: Canada, $40 billion; provinces, jurisdictions of all kinds, public societies, municipalities, school boards and hospitals, $48 billion; individuals, $12 billion, a grand total of $100 billion, Mr. Speaker.

Every Canadian is therefore doomed to pay taxes in order to pay interest on debts which will never be reimbursed but which are increasing at an incredible pace.

So as to pay interest on debts which governments will never reimburse, year in year out the taxpayer has to shell out the following approximate amounts: $2 billion for the national debt, $3.5 billion for provincial, municipal and school debts, a total of $5.5 billion in interest paid each year by the Canadian taxpayer, unfairly taxed. Such funds simply fill the coffers of banking and financial institutions here and abroad.

Mr. Speaker, in his book entitled "Demain, c'est l'an 2,000", economist Gaston Bardet stated, and I quote:

—the almost magical power of banks. Not only do they create and destroy currencies, but also business. They provoke booms, artificial crises, overactive periods or unemployment according as, like a coquettish woman, they fancy granting or not granting their favours . . . They are mistresses of the "trade cycle". Their power is invicible, no matter what political party is temporarily triumphant. They gradually concentrate everything in their hands, on the nations' ruin."

Mr. Speaker, that is why I say we don't need bills like this one, Bill S-22. We can do without them. And, once again, I say that the state must regain financial sovereignty and control over the supply of money and credit.

[*English*]

Mr. Stanley Haidasz (Parkdale): Mr. Speaker, I welcome the opportunity to make a few remarks apropos Bill S-22 introduced by the hon. member for Grenville-Carleton (Mr. Blair) to incorporate the United Bank of Canada. The measure was thoroughly studied by the Senate Standing Committee on Banking, Trade and Commerce and was passed by the Senate on October 7.

I believe there is room today for another federally-chartered bank to serve our people and to introduce more competition. As the federal member for the cosmopolitan constituency of Parkdale, I was pleased to read the names of the provisional directors of the proposed United Bank of Canada and to learn of their aim to give representation to all the groups of our community and to involve all our people in the banking system. This is why I should like to commend the bill to all hon. members and have it referred to the appropriate committee of the House.

Mr. John Gilbert (Broadview): Mr. Speaker, it is not my intention to talk out this bill. Members of the NDP are prepared to consent to the second reading of this bill and its reference to the Standing Committee on Finance, Trade and Economic Affairs. The hon. member for Parkdale (Mr. Haidasz) has just mentioned that he represents a cosmopolitan riding in Toronto. I do, likewise. The people who are incorporating this bank represent a broad spectrum of the different nationalities which compose this country. If we were to look at the history of chartered banks in Canada from confederation to the present time, we would find a strong flavour of Anglo-Saxon ownership and control.

I would think that many new Canadians have experienced difficulties when dealing with the present chartered banks. I had the privilege of sitting on the finance committee during its review of the Bank Act. I heard the observations of some of those who spoke on behalf of their banks. I saw the pressure that was applied in respect of the lifting of the 6 per cent ceiling on interest rates. I am very familiar with what has happened and the necessity of having credit unions and other organizations fill the gap that the chartered banks have failed to fill in this regard, and the needs of ordinary folk in Canada no matter whether they are Anglo-Saxon or any other nationality. If this bank could help fill the gap the chartered

banks have not filled, then it would be performing a very useful function.

• (5:50 p.m.)

The credit unions have been criticized with regard to the interest rates they have charged on loans. Experience indicates that the net effective rates of credit unions have been much lower than the rates of chartered banks. I see the hon. member for Essex (Mr. Whelan) nods his head in assent. He has wide experience in respect of credit unions and I am sure he agrees with me.

If this bank can bring a competitive aspect to the almost monopoly control the chartered banks have, it will perform a useful social and economic function within the community. Therefore, on behalf of members of my party I ask members of the House to give second reading to this bill and have it referred to the standing committee where we can meet some of the problems raised by hon. members who have participated in this debate.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should not like to miss an opportunity of saying a few words about Bill S-22, incorporating a new bank, entitled: "An Act to incorporate United Bank of Canada".

This bill prescribes that certain persons, businessmen, have got together, carefully chosen among different nationalities, in response to a need—

Do you hear me well, Mr. Speaker? I notice that my microphone is not working.

Mr. Deputy Speaker (Mr. Boulanger): Order. The hon. member is being heard quite well, as the microphones of the first row of benches are working.

Mr. Laprise: Mr. Speaker, they made a point of grouping people of different nationalities in response to a demand, apparently, for service to Canadians who are neither English-speaking nor French-speaking.

That is a very good idea. As the saying goes, the road to hell is paved with good intentions. The intentions of the promoters of this bank are certainly good. I never wondered whether they are about to take the first step toward the aim I just mentioned.

When I was very young I experimented the big crisis in the early 1930's. Before that, business was fair and people invested in land or in small businesses. When the crisis came, individuals promptly went bankrupt following the breakdown of the economy and the sharp decline in employment. Every time those people lost their land or their small business—

[*English*]

Mr. Blair: I rise on a question of privilege, Mr. Speaker. With regret and with great respect to the hon. member who is speaking, I call attention to the fact that we are nearing the end of private members' hour . I also call attention to the fact that because we are close to the end of the session it is unlikely this bill will progress to the committee unless it is given approval now. I appeal to hon. members to allow the people who are behind this bill an opportunity to make their presentations to the committee, after which Parliament can decide whether or not to pass the bill.

[Mr. Gilbert.]

[*Translation*]

The Acting Speaker (Mr. Boulanger): As there is no question of privilege here, I will recognize the hon. member for Abitibi again.

Mr. Laprise: Mr. Speaker, I am sorry I have only a few minutes left, for I still have a number of things I would like to say.

I was extremely surprised to see this bill introduced right at the end of the session. We have been sitting for over 230 days. This is a situation I do not understand and cannot accept. I also regret that the sponsor of this bill and his colleague who supported it in the House did not explain to us more fully the purpose of this bill—the reason for establishing a new chartered bank. This is why we have a number of things to say concerning this bill. We have already had closure forced upon us twice this month, and I do not think we can accept it once more.

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

Mr. Robert Kaplan (Don Valley): I wonder, Mr. Speaker, whether it would not be possible to keep on discussing for a few minutes after six, in order to finish with this bill.

The Acting Speaker (Mr. Boulanger): Order. In order to do this, the unanimous consent of the House is required.

Is there unanimous consent?

Some hon. Members: No.

Some hon. Members: It is six o'clock.

The Acting Speaker (Mr. Boulanger): Order. The hour assigned for the consideration of private members' business has expired.

It being six o'clock, I do now leave the chair. The House will meet again at eight o'clock.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed consideration of the motion of Mr. Benson that Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act be read the third time and do pass.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, before private members' hour at five o'clock I listed several items in the new income tax bill which I thought could be welcomed by all sides of the House, although I ended up with one which might be a doubtful blessing, that is, the elimination of the federal estate tax. There were signs that the provinces would move into the field, so

that estates, even with generous exemptions, would be put in an element of double jeopardy, first from the standpoint of capital gains taxation and second from the standpoint of provincial taxation through succession duties or the like.

Then I indicated that I would like to discuss some of the matters into which we never got our collective teeth by way of debate. I also indicated that I would like to list some of the things which I thought were abhorrent in the old legislation and on which no reform whatsoever was being carried out. May I now list them in perhaps rather brief fashion because there are others who want to make speeches and who have not taken part in the taxation debate, and I want to be fair to them.

The first item which was mentioned by the Prime Minister (Mr. Trudeau) in his speech this afternoon concerned corporations being allowed full deductions, income tax-wise, for interest on the money that they borrowed to buy shares in other corporations. The point here is that it might have been valuable to have a debate on the matter to determine how far reaching this rate should be. Should Canadian companies, for example, be allowed the right to buy companies operating in other countries, and what would be the effect of companies owned substantially outside of Canada trying to use that right to buy companies that are operated wholly within Canada? We all know the furore and intellectual ferment that has been caused on this matter of domestic versus foreign ownership. This subject might have provided a very useful debate, but we never had it because of the time allocation.

Then there is the very interesting section in the bill dealing with the sale of "nothings" and goodwill, which has never been discussed properly by us in committee. I do not think anybody touched on it very much at any stage of the debate, yet what the minister and the department have done is to set up a brand new type of language to cover a whole flock of new definitions.

A rather interesting question of commercial law is involved there. I am not a commercial lawyer and I make no pretence to be one. I could add very little, if anything, to such a debate but I would say that considering the over-all consideration by this chamber of the income tax law, perhaps the largest group who can complain about our perfunctory consideration and the fact that we have not considered all elements of income tax properly is the business group of this country. They are the backbone, the people who provide jobs, and I do not think they have been treated fairly because of the time allocation on this debate.

Then a matter in which I am very much interested and on which I would have liked to speak in the debate is rental property and the question of capital cost allowance classes and depreciation, and the fact that a separate class is created for each rental building costing $50,000 or more under the new legislation. We have had good, expert opinion both from the Toronto Real Estate Board and from a group in greater Vancouver who question whether the proposals in the white paper have been translated into the bill, whether these proposals are good enough at a time when Canada still has a substantial need for accommodation for its citizens, more particularly in the vast metropolitan areas where this point was made forcibly to us.

I would have liked to discuss that element alone and whether or not what is proposed by the government is a good measure. I say this because there are all sorts of people in the House who, if unleashed from the government whip and allowed to participate in such a debate, would be able to throw out a great many common sense ideas on the subject of rental accommodation. We never touched on the matter at all, yet I think only the other day the hon. member for Spadina (Mr. Ryan) and the hon. member for Hamilton West (Mr. Alexander) pointed out in this House, through questions to the Minister of State for Urban Affairs (Mr. Andras), the very serious accommodation problems now being faced in the city of Toronto.

• (8:10 p.m.)

I myself in the past have referred to the almost unholy explosion in population in the megalopolis that is developing between Montreal and Windsor. I am almost a Paul Revere in this regard, shouting, "The megalopolis is coming," trying to arouse some interest in the government so that it will be aware of a problem of mammoth proportions that is rapidly coming in the area of Canada between Montreal and Windsor. Surely somewhere along the line we should have had an opportunity to decide, after considerable debate, whether the proposals in this new income tax law with regard to rental property are sensible or not, and whether they should be modified.

Much has been made about the role of the finance committee of this House in dealing with the bill. With respect to the committee report, I accepted the recommendations of the majority in that regard, although it is true that some of that report was disregarded by the government. But I would hate to think that even a group of knowledgeable people, and I think they were knowledgeable people in that committee, should have the sole hand in suggesting the sort of tax legislation we should have. I think our housing problems are serious enough that everybody in this chamber should have had that right. But for some reason, within the last couple of weeks the government decided that time allocation, the most hideous weapon in the armament of the gag, should be invoked in this chamber.

As a result, for the next decade we will probably carry on the process of tax law reform because every year will turn up instances of where the legislation was imperfectly drafted or where the ideas were imperfectly conveived. It simply means that future parliamentarians may look back to this Parliament and wonder why the government chose the course it did and choked off meaningful debate on tax changes.

Sir, another thing we never really got our teeth into was the international capital business—I mentioned this earlier—foreign source income and dividends. We never really got our teeth into the manner of the treatment of the professional taxpayer who is now practically on the same basis as the fellow who peddles radios, TV's, other merchandise and the like, who could be classified in a different position. Those are only some of the things we did not debate. I think I have listed five or six, all very important, Mr. Speaker, but thanks to the divine right methodology of a few despotic people in this chamber we are not to have that kind of discussion.

Third reading would have been a very appropriate stage to bring in a new amendment every day, even up to a month, to test all the different ideas that should be put to the test and should be determined by the chamber because now, under the new rules, third reading is really the place where one decides on questions of principle. But a fat number of questions of principle we can decide, thanks to the time allocation rule that has been imposed upon us!

I also said that there are provisions in the bill that are absolutely abhorrent and that if we had any tax change that was worthy of the name of tax reform, surely changes could have been made in the areas that I will now proceed to list. One is the mamma and papa small business operation. I raised this question very early in the debate, so that the minister and his advisers had all the time in the world to try to come up with equity for this couple. Instead, mamma is to be the slave of papa, or papa the slave of mamma under the unique provisions of this bill lumping them together, and all we are told is that it is administratively difficult to separate mamma and papa. It should not be administratively difficult for mamma and papa to separate some of the Liberal members from their seats when the next election comes along, because they will know that they have been treated unjustly. This issue has been well scouted and I merely touch on it now.

The farming provisions of the bill are also the subject of debate here. I do not think the mistakes made in this legislation, which will become apparent when it comes into effect on January 1, 1972, can ever be sufficiently repaired by future amendments unless they are introduced very early next year. If such amendments are not introduced early, the family farm will have had it, and it will have been a deliberate decision by the government. We are all supposed to crowd into the cities, and a few large, baronial holdings will grow the food that we Canadians are to eat. That seems to be the effect of it. I don't know what everybody is expected to do when they get into the cities unless, I suppose, they sell insurance to each other.

Finally, there is the power given in the bill to the Minister of Justice whereby a person can be hauled into court on summary procedure for failing to deal properly with the Income Tax Act and, if convicted, faces a fine. But if the Minister of Justice says, "We will try you by indictment," then the mere fact of conviction means the miscreant must go to jail. What a power for any minister to have! In effect, if you have two similar cases he can say, "This one pays a fine, but that one goes to jail." All this could have been taken care of through the very simple amendment offered by the hon. member for Edmonton West (Mr. Lambert), who has been a medium of common sense in this whole debate, leaving the option of how to proceed with the minister but leaving it to the judge to decide whether, in addition to a financial penalty, he should impose a jail sentence.

In other words, the judge is faced with the evidence and he decides whether the difficulties that the taxpayer is in are really of such a criminal nature that he should not only be punished with a fine but should go to jail as well. That is a decision that should not be made by the Minister of Justice, no matter how well intentioned he may be, nor should it be a matter decided by his officials. That point was made, and of course we got nowhere.

An hon. Member: Hear, hear!

Mr. McCleave: Somebody cheers. I do not know who it was. If he is on this side, I imagine he would be endorsing the scorn in my remarks, but if he is on the other side he would be saying the Minister of Justice is right. In tax reform or in something like that I would sooner be a compassionate fool than a heartless idiot.

Earlier today I indicated that the government had not kept faith with a former Liberal Prime Minister in bringing in certain sections of this legislation. I now wish to deal with that matter and put it clearly on the record. Back in April, 1964, Mr. Speaker, this House was considering the social insurance number plan that was being piloted through by the President of the Privy Council, then Minister of Labour, and a great furor was made about whether the scheme would be widely used or would be restricted. People are very suspicious of being given a number and treated as part of a computer system.

• (8:20 p.m.)

I wish to read into the record part of the exchange that took place at that time. At page 1918 of *Hansard* dated April 8, 1964, appears the following:

MR. MACEACHEN: Mr. Speaker, my hon. friend will recall that the Glassco commission made a proposal that there be a common system of government record keeping and I am saying—and this is all the responsibility I can take—that this information is to be used for the unemployment insurance system and for the Canada Pension Plan.

MR. DIEFENBAKER: And nothing else?

MR. MACEACHEN: I am not in a position to indicate at this stage what system of government record keeping will be involved in the future, but that is the present attitude of the government.

MR. DIEFENBAKER: Oh; income tax, and so on?

MR. PEARSON: Certainly not.

MR. DIEFENBAKER: The Prime Minister is butting in. I ask him, will he give the undertaking on behalf of the government that this information will not be made available to other departments of government? We want to know that this is not a snooping operation for the use of the government.

SOME HON. MEMBERS: Oh, oh!

MR. PEARSON: Mr. Speaker, the same and, I would hope, more effective precautions will be taken in this regard as were taken under the regime of the right hon. gentleman.

MR. DIEFENBAKER: All this means is that it is going to be used.

As usual, the right hon. member for Prince Albert (Mr. Diefenbaker) was not whistling Dixie when he said that, because that is precisely what will happen under this new Income Tax Act. Anybody who looks at the day care provisions will know this was a breach of faith in respect of a policy statement made by a former Prime Minister of this country.

Then as reported at page 1919 of *Hansard* for April 8, 1964, a member of the Ralliement Créditiste said:

MR. RAYMOND LANGLOIS (MEGANTIC): A supplementary question to the Prime Minister concerning this system. Is the government considering whether this system is going to be extended to other departments than those of the unemployment insurance commission and pensions?

MR. PEARSON: There is no necessity for extending this particular system for this particular purpose to any other department.

There it is. What a sorry commentary on smuggling something in and then gradually extending it for other purposes! A sorry record indeed.

Mr. Speaker, in a moment I intend to move an amendment but first, since it is the Christmas season and one likes to settle one's debts, I think that earlier in the debate I was wrong when I made a statement regarding a journalist in the press gallery, Mr. Dan Turner of Canadian Press. I thought about it and reviewed what I said, and am convinced that I was in error. I would not like to be unjust and, accordingly, in my place, I apologize without reservation for what I said at that time.

Some hon. Members: Hear, hear!

Mr. McCleave: The amendment which I propose, Mr. Speaker, is an old friend, previously entered in debate by the Leader of the Opposition. It reinforces the point we have made over and over again in the debate, that this House is simply not giving full consideration to all the elements that make up the proposed Income Tax Act. We have given good consideration to some parts of the bill and amendments have been offered. I see the hon. member for London East (Mr. Turner) here this evening. He is responsible, with the hon. member for Moose Jaw (Mr. Skoberg), for a very important amendment. These are small satisfactions, but important ones.

The fact is, we have covered parts of the field very thoroughly and other parts not at all. We know that the process of so-called tax reformation is by no means completed when the axe falls on our heads tomorrow afternoon and this measure is paraded to the other place for consideration. We know that if there is any intention to carry out meaningful tax reformation, it has to be a process which occurs over a considerable period of time. For example, on the deferred profit-sharing plans apparently the minister intends to bring in something to deal with them early in the new year. Why could not such an amendment be brought in now, so that at least that part of the tax story could be cleared up and people would not have to live with anxiety for months until the minister drops the other shoe, so to speak? The government has a strange way of operating, and I am glad to belong to a party that has resisted—

Mr. Danson: "Change."

Mr. McCleave: —utter foolishness. They can go around the country all they want, Mr. Speaker, saying that we should have cleaned up this bill in 50 days. If we started a criminal code from scratch, how long do you think it would take Parliament to deal with it, when everybody is interested in whether such and such an action should be designated a crime? It would probably take six months. While I do not recommend six months consideration in Parliament on tax reform measures, or tax change measures—there is not much tax reform in this bill—at least discussion should have had its full course and should not have been allowed to run to the end of the year and then be stifled.

I say, Sir, the government has not permitted us to do our job adequately with regard to tax retorm. We should be back in committee of the whole. I would not have minded being in committee of the whole on Christmas Day if we were going to have some kind of meaningful debate. I do not consider very meaningful what the parliamentary secretaries have been babbling in this House for the last couple of days.

Some hon. Members: Hear, hear!

Mr. McCleave: It was childish and filled with misstatements. I heard that "Guay" contributon again, Mr. Speaker. They must be proud of him in St. Boniface, for all his time spent uttering two words in the House of Commons. I wonder what kind of water he is going to get himself into.

An hon. Member: Water on the brain.

Mr. McCleave: In a moment of charity earlier I promised that I would try to be positive. Accordingly, I move, seconded by the hon. member for Simcoe North (Mr. Rynard):

That Bill C-259, an act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, be not now read a third time but be referred back to committee of the whole with an instruction that the committee have power to consider amending the bill by providing:

• (8:30 p.m.)

That clause 1 of the bill be amended by deleting lines 1 to 3 on page 1 and substituting therefor the following:

"1. Parts I to IIIA and Parts V to VII of the Income Tax Act are repealed and the following substituted therefor so as to apply, subject to the said act as hereby amended and to Part III of this act, to the 1972 and subsequent taxation years but the said act as hereby amended, excepting thereout those portions thereof containing an arrangement, revision and consolidation of the provisions of the said act as the said act is amended by the application *mutatis mutandis* of the provisions of sections 6 and 8, subsection 12 of section 20, and sections 62, 63, 109, 110 and 117 of the said act as hereby amended, shall not come into force and have effect as law until a day to be fixed by a proclamation that shall be subject to affirmative resolution of the House of Commons:"

Mr. Mahoney: Is that one amendment?

Mr. McCleave: I understand that there may be difficulty about the last line, and if Your Honour should so decide, rather than touching off a procedural debate I would be willing to have all the words after "proclamation" struck out, because in the final hours of this debate it is more important for hon. members to make their contribution on the merits of the bill than for them to become enbroiled in procedural arguments.

The Acting Speaker (Mr. Laniel): Order, please. I am sure the hon. member was not trying to read the mind of the incumbent of the chair, principally because of what has been said in committee. I feel that there might be some reservations about the procedural acceptability of the amendment in its present form. After presenting his amendment, the hon. member suggested that he or his party would be ready to eliminate some of the words from the end of the motion. It is very difficult for the Chair to pass judgment on this amendment, either as it is now or as it might read if the last part were eliminated, and I think I ought to invite comments from hon. members who might have opinions to express about the procedural acceptability of the amendment.

Before inviting hon. members to comment, perhaps I ought to refer to something that happened in committee in

connection with the acceptance of an amendment on one basis by the chairman of the committee. As hon. members may recall, the chairman of the committee at that time said quite plainly that it would be impossible for the Leader of the Opposition (Mr. Stanfield) to redraft the amendment he had presented because of the very limited time available. I am sure that this limitation does not apply any more because hon. members who may have heard the remarks of the chairman of committee afterwards had ample time to consider the drafting of the amendment in question. This is not to be taken as an argument in favour of acceptance of the present amendment moved by the hon. member for Halifax-East Hants (Mr. McCleave).

I wish to refer to another basic difficulty with regard to the amendment. This is more a constitutional difficulty than a procedural one. I wonder to what extent the Chair can go beyond the constitution of Canada in accepting amendments that would more or less limit the powers of Parliament. After Parliament has passed a piece of legislation, can that power be limited by making that legislation subject to further affirmative resolutions of the House of Commons which makes up one part only of our parliamentary system? That is the point on which I should like to hear comments. I see the hon. member for Edmonton West (Mr. Lambert) becoming somewhat impatient while I talk.

Mr. Lambert (Edmonton West): Your Honour has forgotten some legislation we have passed.

The Acting Speaker (Mr. Laniel): I do not want to decide without first hearing from hon. members. I wish to tell the hon. member that even though he may have expressed his views on that point in particular, I may not be ready to decide immediately, in view of this very important difficulty.

Mr. Lambert (Edmonton West): Mr. Speaker, I will limit my remarks to the narrow point which seems to give Your Honour difficulty. I suggest that the argument used the other night in accepting or, shall we say, glossing over any difficulties was, frankly, one that I myself would never have accepted. I mean, a motion will either stand on its own feet or it will not. If one looks at the arguments advanced with regard to the Leader of the Opposition's motion, one will see that from the procedural point of view it was never attacked. That point was never commented upon. Therefore, it makes little difference saying that it is too late to accept a change or a redrafted version.

If there is any difficulty about the words "shall not come into force—until a day to be fixed by a proclamation that shall be subject to affirmative resolution," I would invite Your Honour to look at legislation we have passed during the present session. In the Statutory Instruments Act there is a statutory direction to that effect. There is a provision resulting precisely from the government's own use of language saying that if at any time in future bills are passed by this House whereby power is given to the governor in council to pass regulations, if the bill stipulates that there are to be these regulations, they may be passed. It is provided that these shall be subject to affirmative or negative resolution.

[The Acting Speaker (Mr. Laniel).]

One must be careful not to draw an artificial distinction between the granting of power by this House and the ability of the governor in council to pass certain orders in council that shall be subject to either affirmative or negative resolution. We are, by the changes to our standing orders, providing for affirmative and negative resolution with regard to what procedures must be followed.

The amendment moved by my colleague from Halifax-East Hants (Mr. McCleave) is perfectly legitimate. Its parentage is sound. It draws its inspiration from the government's own statutes. Although we may not have had, shall we say, in the immediate past precedents of this kind, I would invite Your Honour to look at what the government has done in the case of the Statutory Instruments Act. I think there is an exact parallel here. The amendment asks the committee to recommend to the government that certain sections of the act shall be proclaimed, as indicated—the motion is absolutely clean and impeccable in that respect—and that the remainder shall be subject to proclamation on a date fixed in the proclamation after there has been an affirmative resolution of this House.

• (8:40 p.m.)

Mr. Hogarth: That is nonsense.

Mr. Lambert (Edmonton West): The hon. member for New Westminster (Mr. Hogarth)—

An hon. Member: The Queen city.

Mr. Lambert (Edmonton West): It is a very fine place. I am only surprised that the hon. member does not shine any more brilliantly on behalf of his constituents when he wants to talk about procedure.

If it is in contemplation of an affirmative resolution or a negative resolution under the Statutory Instruments Act, as a matter of fact there is a motion on the order paper to set up a committee on statutory instruments which will make provisions for the rules because this House will have to decide precisely the procedures. We are not talking about something new or constitutionally strange. It is fully within the power of this House, if it is to have the power under any other act as provided for under the Statutory Instruments Act. If Your Honour is to rule that this type of amendment is out of order by reason of the fact that the constitutional powers exist, the Statutory Instruments Act is wrong and any action by this House following the procedure laid out in that act would be beyond its power.

I also ask whether the Chair does rule on the constitutionality or legality of certain actions. I submit the amendment of the hon. member is quite in keeping with this stage of the debate.

The Acting Speaker (Mr. Laniel): Is the hon. member rising for the purpose of asking a question?

Mr. Gibson: On the point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The Chair will recognize the hon. member for Winnipeg North Centre (Mr. Knowles) and then the hon. member for Hamilton-Wentworth (Mr. Gibson).

Mr. Guay (St. Boniface): Merlin.

Mr. Stanley Knowles (Winnipeg North Centre): That is what my friends need tonight—magic. I had intended to sit this one out, partly because I agree with the hon. member for Halifax-East Hants (Mr. McCleave) that in the closing hours of this debate the time should be spent on the substance of the bill rather than on procedure, and also because I always feel a bit uncomfortable taking issue with my friend, the hon. member for Edmonton West (Mr. Lambert). After all, as opposition members we have to make common cause most of the time.

Even so, I feel I must draw to the attention of Your Honour and the hon. member for Edmonton West that there is quite a difference between the references of the Statutory Instruments Act to regulations passed under an act that can be kept from coming into force until there has been an affirmative resolution of the House of Commons and the proposal that sections of an actual act shall not come into force until there has been an affirmative resolution of just one House.

Another reason I am uncomfortable on this point is that my attitude toward the Senate is well known. However, the fact is that under our constitution, statutes are not passed except by the action of both Houses, plus royal assent. If this amendment were passed and written into the act, we would be giving this House the power sometime next spring, by the action of this House alone, to delete from Bill C-259 certain sections that had been passed by both Houses.

Please give me credit for the fact that I am trying to make my remarks brief. That is the only point on which I shall speak. The hon. member for Edmonton West has failed to distinguish between regulations that can be made subject to an affirmative resolution of this House and sections of an act already passed by both Houses.

Mr. Gibson: Mr. Speaker, I tried to get the floor ahead of the hon. member for Winnipeg North Centre (Mr. Knowles). In many respects, I agree with the point he has made. He has hit on the very kernel of the weakness in the argument of the hon. member for Edmonton West (Mr. Lambert). The hon. member for Edmonton West, who did not sit on the statutory instruments committee, fails to realize the breadth and scope of that committee. It has very wide powers. Some of the recommendations made by that committee are wide enough to almost encompass all the weakness or flaws, or all the potential weaknesses or flaws that could be raised by the hon. member for Edmonton West, assuming that he was even in the ball park on the argument.

The Acting Speaker (Mr. Laniel): Order, please. I thank hon. members for their learned opinions on the amendment before the House. I am sure they understand that the Chair must decide upon a very difficult question. Although I still have strong reservations as to the point made by the hon. member for Edmonton West (Mr. Lambert), and I still maintain these reservations strongly, I cannot accept the amendment as it stands. I leave the choice to the hon. member for Halifax-East Hants (Mr. McCleave) to abide by the suggestion he made to delete part of the amendment, and because of the limited time for debate the House could proceed, or I will take the amendment under advisement, consider it and arrive at a decision. At that point I might have to refuse the amendment in its totality.

Mr. McCleave: Mr. Speaker, if the House is agreeable, I will delete the words after "proclamation" so that debate on the substance of the amendment can proceed.

The Acting Speaker (Mr. Laniel): If there are no comments, the Chair will put the amendment to the House with the deletion made by the hon. member for Halifax-East Hants. It is moved by the hon. member for Halifax-East Hants:

That Bill C-259, an act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, be not now read a third time but be referred back to committee of the whole with an instruction that the committee have power to consider amending the bill by providing:

That clause 1 of the bill be amended by deleting lines 1 to 3 on page 1 and substituting therefor the following:

> "1. Parts I to IIIA and Parts V to VII of the Income Tax Act are repealed and the follwing substituted therefor so as to apply, subject to the said act as hereby amended and to Part III of this act, to the 1972 and subsequent taxation years but the said act as hereby amended, excepting thereout those portions thereof containing an arrangement, revision and consolidation of the provisions of the said act as the said act is amended by the application *mutatis mutandis* of the provisions of sections 6 and 8, subsection 12 of section 20, and sections 62, 63, 109, 110 and 117 of the said act as hereby amended, shall not come into force and have effect as law
>
> until a day to be fixed by a proclamation."

• (8:50 p.m.)

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the amendment just moved, once amended by its mover, does not make much sense. I shall therefore confine my comments to the general discussion on third reading of Bill C-259.

I listened this afternoon to the commments which the Prime Minister (Mr. Trudeau) made concerning this famous tax reform bill which will have been under consideration for 50 days tomorrow.

The Prime Minister started by saying that the need for tax reform was indicated in 1962 by a Progressive Conservative government. There was talk then of tax reform, of the need for a new tax structure in order to assist the less privileged sectors of Canadian society. Strangely enough, the very economists who were suggesting tax reform to the Progressive Conservative government are now making the same suggestions to the present government. The economists have not changed.

A white paper was published two years ago which was the subject of endless comments and caused many disappointments, even legitimate misgivings among various groups of citizens: workers, farmers, professionals, industrialists and businessmen. Everyone was concerned.

The white paper proposals came out in the form of Bill C-259 which is presently before us. This bill is roughly four times thicker than the white paper that came out two years ago.

Mr. Speaker, the Prime Minister said this afternoon—and he was right—that the Progressive Conservative party was advocating tax reform. This is true. And we

from the Social credit party realize that the two old parties are exactly identical.

Mr. Gilbert Rondeau (Shefford): It is so true.

Mr. Caouette: They are exactly the same.

Mr. Rondeau: It is so true!

Mr. Caouette: If the Progressive Conservatives were sitting where the Liberals are presently sitting because they both use the services of the same economists we would have this same Bill C-259 before us.

Mr. Rondeau: It is so true!

Mr. Caouette: It is being discussed for the sake of discussion.

Mr. Speaker, the Prime Minister said that because of Bill C-259 one million citizens of this country would be taken off the tax rolls.

Some hon. Members: Hear, hear!

Mr. Caouette: There they go. This afternoon I saw people applauding like the one I see on the other side of the House.

An hon. Member: Do not look at me.

Mr. Caouette: They applaud and do not even know why they are applauding. The Prime Minister said this afternoon that the opposition did not understand this legislation but that everybody else in this country did.

Mr. Rondeau: Is that right!

Mr. Caouette: Everybody understands it. There are not even five Liberals in this House who understand this bill.

An hon. Member: Wrong.

Mr. Caouette: Even the Prime Minister does not understand it.

As for the economists—one of them will speak after me, namely the former Minister of Communications—they do not agree more than he does on this bill because they know it is unfair.

The Prime Minister says that the Canadians do understand the bill. And yet we have received, as the government did, protests from all kinds of associations, from economists who do not share the views of the government economists, and from consumers organizations which object to Bill C-259. We have even received protests from the Institute of Chartered Accountants.

An accountant, the responsible member for Laurier (Mr. Leblanc), spoke the other day about the dictatorship of the member for Témiscamingue. But who will impose this damn dictatorship in the House tomorrow by using the closure rule which will prevent us from debating this bill and taking exception to it? Let us speak about dictatorship! They are imposing it!

When they have nothing to say they attack people.

I can understand that the member for Laurier, as an accountant, has been able to attack the member for Shefford (Mr. Rondeau) by arguing that he was a chartered accountant. But when it comes to figures, the member for Shefford has nothing to learn from him. In fact there are a few things we know better than he does; he claims that two and two make five and we claim it makes four. There is a difference.

An hon. Member: What a strong argument!

Mr. Caouette: The member for Laurier should have presented valid arguments on Bill C-259. He does not understand anything in it.

An hon. Member: You cannot read it.

Mr. Caouette: Mr. Speaker, I have read his speech. His arguments are as hollow as empty 20-pound buckets. So is the member for Laurier.

Mr. Speaker, the Prime Minister said this afternoon that everybody understands Bill C-259. I can well understand that the hon. member for Laurier can blush till his ears are red. He well deserves to have them redder still.

Mr. Fernand-E. Leblanc (Laurier): You did not see your own.

Mr. Caouette: No, because boys like the member for Laurier never got on my nerves, and moreover they are no match for me.

• (9:00 p.m.)

Mr. Leblanc (Laurier): Tell us about your son.

Mr. Caouette: Mr. Speaker, the hon. member is referring to my son whom he defeated in his constituency, but he is not saying how he stole the election with his election organization.

Mr. Leblanc (Laurier): I defeated your son twice, in spite of the 500 Créditistes who tried to steal the election.

Mr. Caouette: The hon. member for Laurier has his head full of telegraph poles. That's what people think of at election time, to defeat honest people.

Mr. Speaker, I was saying that the Chartered Accountants Association was against Bill C-259, as well as associations of professionals and industrialists. Businessmen and tradesmen are against Bill C-259. I was in western Canada, scarcely three weeks ago, and I also visited the Maritime provinces. I met Liberals who are opposed to Bill C-259.

The Prime Minister will now turn around and say to the House that the Canadian people want Bill C-259 to go through. It is not true. Nobody can prove that the Canadian people want this bill passed. It is being forced upon the people and this is called democracy.

An hon. Member: Ah, ha!

Mr. Caouette: Mr. Speaker, listen to the braying of the donkeys on the government side.

An hon. Member: A donkey—

Mr. Leblanc (Laurier): Look at yourself!

Mr. Caouette: Mr. Speaker, this afternoon while the Prime Minister was speaking—

Mr. Speaker: Order. I regret to have to interrupt the hon. member for Témiscamingue, but I thought I might try to restore order to a certain extent. The hon. member for Témiscamingue has the floor and it would be much more simple to let him deliver his speech.

Mr. Leblanc (Laurier): Mr. Speaker, I rise on a point of order.

The hon. member for Témiscamingue attacks me constantly. However, I think I can answer him quite easily, and for doing so I avail myself of the freedom granted the members of this House.

Mr. Caouette: Mr. Speaker, the hon. member is not even familiar with the Standing Orders although he is called a chartered accountant. It might be more to the point to call him a feather-brained member.

Mr. Speaker: Order. I suggest to the hon. member for Témiscamingue that he should rather revert to his text or to the views he intended to express.

Mr. Caouette: Mr. Speaker, while the Prime MInister had the floor this afternoon, I too objected to interventions fromt he opposition side, hoping to hear him, and once you called the opposition members, to order so that the Prime Minister could get on with his speech. I agreed to that. However, when an opposition member has the floor, whom do we hear on the other side of the House?

Mr. Speaker: Of course, I cannot enter into a debate with the hon. member, but may I remind him that if I interrupted the hon. member a while ago, it was precisely to urge the hon. members not to interrupt their colleague from Témiscamingue, since he has the floor.

The hon. member for Laurier could have realized that and I ask all hon. members to allow the hon. member for Témiscamingue to continue his remarks.

Mr. Leblanc (Laurier): I rise on a point of order.

I agree that we should listen to the hon. member for Témiscamingue, but if he launches out into personal attacks, I feel singled out and I cannot help answering. If the hon. member intends to discuss Bill C-259, I am ready to listen to him, even if he wishes to speak all evening.

Mr. Caouette: In fact, Mr. Speaker, if the hon. member is not happy, he can withdraw behind the curtains.

Incidentally, the hon. member for Shefford (Mr. Rondeau) made an observation that is true. Instead of calling him a "chartered accountant", we should say "retarded accountant". It is not quite the same thing!

Mr. Speaker: Order. The hon. member for Témiscamingue will admit that he is not making things easier right now. I invite the hon. members for Laurier and Témiscamingue to come back to the bill before the House.

Mr. Caouette: Mr. Speaker, the Prime Minister spoke of a million Canadians who will pay no income tax. He did not say those million Canadians represent people who earn the least amongst single people. In fact, they are single people who earn less than $1,500 a year, and married people who earn less than $2,850.

The Prime Minister should have told us how much those people will save by no longer paying income tax. They scarcely paid any previously. Now, between almost nothing and nothing at all, there might be a difference of about $7 or $8 a year or 10 to 15 cents a week.

However, the Prime Minister did not say so. He told us a million—it sounds good—Canadians will not be paying income tax and that 1,300,000 will pay less. How will the taxpayers pay less income tax? Even if it were only $100 a year, it comes to $2 a week. But not a word about it! No. It is mentioned in a general way that 1,300,000 Canadian taxpayers will pay less income tax. They are bamboozling the people!

And the Prime Minister tried this afternoon to suggest that the members of the opposition were talking about anything except Bill C-259. He said that the Progressive Conservative had talked about India, potato growing in New Brunswick, wheat exports to China, trade with India, and that we forgot to speak to Bill C-259.

An hon. Member: That is true!

Mr. Caouette: Mr. Speaker, that is correct, but I heard the speeches of certain Liberals which were not that much more substantial than those made by Conservative members. What is true, as I said it at the beginning of my remarks, is that if the Progressive Conservatives were in the place of the Liberals, we would be considering exactly the same legislation, because the economists of this government are the same as those of the government of ten years ago, who prepared the "gimmick". That is what we are dealing with now. So, let us not be timid. Others do not hesitate to say it.

Tuesday, during the debate on the motion to apply Standing Order 75c, I heard the Minister of Public Works (Mr. Laing) say to the Leader of the official Opposition (Mr. Stanfield), and I quote:

> I suggest that the intelligence of the Leader of the Opposition is exceeded by his sensitiveness to public opinion. No government has any money of its own.

That is an admission on the part of a minister of a sovereign government.

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Why not?

Mr. Caouette: Yes, I said "Why not?" And why shouldn't I? Why can't the government, through Parliament, use the services of the Bank of Canada?

I will remind the House, Mr. Speaker—and I see the Minister of National Defence (Mr. Macdonald) nodding his approval—that the former Liberal leader, whom the Minister of Public Works, himself a former Liberal leader of British Columbia, followed like a little dog, said in 1935, when I was a liberal:

Some hon. Members: Hear, hear!

Mr. Caouette: And the Minister of Public Works said yesterday—

Mr. Béchard: Those were the good old days.

Mr. Caouette: One thing is true perhaps: I have remained a true Liberal while the Liberals have become socialists.

Mr. Speaker, I quote what the Right Honourable William Lyon Mackenzie King said in August 1935, and this, for the information of the hon. member for Laurier (Mr. Leblanc) since he finds Social Credit so funny.

[*English*]

Once a nation parts with the control of its currency and credit, it matters not who makes the nation's laws. Usury, once in control will wreck any nation.

[*Translation*]

Let us see if the situation is not exactly the same as the one we find ourselves in with this Bill C-259.

An hon. Member: What date?

Mr. Caouette: In August 1935.

[*English*]

Until the control of the issue of currency and credit is restored to government, and recognized as its most conspicuous and sacred responsibility, all talk of the sovereignty of parliament and democracy is idle and futile.

• (9:10 p.m.)

[*Translation*]

A former Prime Minister of Canada said that.

An hon. Member: He is dead.

Mr. Caouette: He is dead. My hon. friend will die one day, Mr. Speaker.

An hon. Member: Everyone has to die.

Mr. Caouette: But one thing is true: that Prime Minister was right. And today, we believe that it is high time to proceed with a reform in depth, not a fictitious one, like this one, which is meant to take away from those who have and to give to those who have not. This is the objective of Bill C-259. The rich will benefit from exemptions, the poor will gain very little and the middle man will pay everything.

Mr. Speaker, that is exactly what we are told by accountants and businessmen. Some accountants in western Canada say frankly: "It's pure confiscation of private property." For the hon. member's information, those are not Créditiste, but liberal or conservative accountants, and they all say the same thing.

Mr. Speaker, some time ago I suggested to the House the establishment of a social security program using the services of our financial institutions, particularly the Bank of Canada. Some people said it would be ridiculous to change the whole social security system which exists in Canada at present. No figures were given at the time. But we now have figures to show; we did the necessary research to get the official figures.

The federal government spends $7,722,661,607 every year on social security in Canada. Crown corporations spend $80,025,837 on social security. The total expenses of all Canadian provinces amount to $6,814,500,000, and those of municipalities, to $286 million—for a grand total of $14,903,249,444. That is what we pay at present in Canada for social security.

My colleagues and I urged that a single social security plan be set up for all Canada instead of 25 different schemes. We must set up a plan applying to every Canadian earning less than $15,000 a year because we consider that those earning that much a year have security! We have proposed giving, from age 18, $1,500 to all single people and $2,500 to married couples and an extra $250 for each child up to the sixth and up to a maximum of $4,000.

An hon. Member: For hon. members too?

Mr. Caouette: Not for hon. members, because their annual income exceeds $15,000.

Then, Mr. Speaker, we would cover students, people who are handicapped or disabled, who would, if they are alone, receive $1,500 a year, which is $125 a month, instead of $80, $75 or $65 as is now the case.

When students 18 to 23 years of age would reach the end of their studies, they would receive $125 a month. A family of four would get $3,000 a year. Of course, if they could make some money besides their social security, they would be entitled to it, without being penalized or deprived of the guaranteed social security up to $4,000 a year.

Mr. Speaker, such a system would cost less than the present one, because we now make all kinds of expenditures without any reason and those who need it most do not get anything. The most needy are given as little as possible and we find thousands of examples throughout the country. This very day, welfare recipients from Montreal were in Parliament to complain about the lack of attention we give them. Try as we may tell them that this is the responsibility of the province of Quebec, Quebecers know that 50 per cent of welfare allowances come from Ottawa. Mr. Speaker, under that program, $200 a month would be paid everyone at age 60, and $150 a month to the spouse. That means that a married couple of 60 or more would receive $350 a month. I dare any member to tell me that $350 a month for old people or $125 a month for students, that is roughly $1,500 a year, is too much.

When I suggested the implementation of that program, I asked hon. members to study it seriously, not to win votes in the next elections but to achieve a just society in Canada. I urge, in all sincerity, the Liberals in power to adopt that social security program for the Canadian people as a whole. If they do so, I promise to vote for the present government in the next elections. It is as simple as that!

Mr. Béchard: Mr. Speaker, would the hon. member allow me a question?

Mr. Caouette: Of course.

Mr. Béchard: Mr. Speaker, if the policy outlined for the second or third time by the hon. member for Témiscamingue were implemented by the Liberal party, would he go back to their ranks?

Mr. Caouette: This would mean that the Liberal party is again becoming truly Liberal. And then, I have not—

Mr. Leblanc (Laurier): Mr. Speaker—

The Acting Speaker (Mr. Honey): The hon. member for Laurier.

Mr. Leblanc (Laurier): Would the hon. member for Témiscamingue allow me a question?

Mr. Caouette: Certainly.

Mr. Leblanc (Laurier): After the statement that the leader of the Social Credit has just made—a most interesting statement by the way—I wonder what would happen if the municipalities which, at the present time, spend about $800 million, or some $200 million, on social welfare, were told by the federal government: As of tomorrow, we will administer all social security programs, and this will cost us $14, $15 or $20 billion; and then, the provinces and municipalities will have no say in the matter. I wonder how the provincial and municipal autonomy could be reconciled with such an interference by the central power?

Mr. Caouette: Frankly, I do not think there would be any discussion or debate. The provinces, of course, would not accept this scheme without discussion, but if we want for Canada as a whole a scheme which would succeed in reaching each individual, I think that it would be advisable for the provinces and municipalities to come to an understanding with the federal authorities in order to establish a single scheme for Canada. Moreover, I do not think that this would prevent Quebec from being Quebec or Ontario from remaining Ontario. We would have a comprehensive plan which would be less costly to finance than different schemes, that is one for each province. Such is my opinion and that of my colleagues. I understand that we—

Mr. Jacques-L. Trudel (Montréal-Bourassa): Would the hon. member for Témiscamingue allow me a question?

• (9:20 p.m.)

Mr. Speaker, this is not the first time that the hon. member for Témiscamingue makes this speach and blames us for not accepting his ideas or not listening carefully to what he is saying in the House.

The last time he made it, Mr. Speaker, I asked him a question. He told me that he had not managed to figure out the cost of the programs he was advocating. I wonder if he would be willing now to give the answer I was asking him then?

Mr. Caouette: I have just given that answer, Mr. Speaker. We are spending at the present time $14,903,000,000, and with just about $15 billion, we could apply the system I am advocating. So it comes to about the same thing.

An. hon. Member: Just about $15 billion?

Mr. Caouette: Just about $15 billion dollars, yes. At the present time, we are spending $14,903,000,000, which is not very far from $15 billion, but even if there were a difference of about $2 or $3 billion this year, we had to go to financial institutions in order to get $1.7 billion. And the Prime Minister told us that if we did not have enough, we would find more. And that billion dollars did not exist in Canada. It is a deficit that the government simply and purely created. We did not take it out of the pockets of the people. And they are ready to create another deficit.

I am asking a very simple question: Should war break out tomorrow, and should we have to take part in it, the government would not ask if there were enough money. We would find all the millions and billions of dollars that would be necessary for the war.

Why are we not doing the same thing to establish a peace system at home, a social security system that would allow everybody to feel at home? It seems to me that it is easy to understand.

An hon. Member: The poor man!

Mr. Caouette: Now, Mr. Speaker, there is—

An hon. Member: That is socialism!

Mr. Caouette: No, that is not socialism. We are not against private enterprise; on the contrary, we encourage it.

We do not intend to scuttle private enterprise.

Mr. Leblanc (Laurier): Mr. Speaker, I wish to put a question to the hon. member in order to clarify a figure which he quoted a moment ago. In fact, he said that the federal government is now spending about $7 billion—that is 50 per cent of its total budget of $14 billion—on social benefits of all sorts. Could we have more detail to support the figure of $7 billion? The hon. member is certainly in possession of that information.

Mr. Caouette: Yes, I can give that information to the hon. member.

[*English*]

Mr. Deputy Speaker: Order, please. I am sorry to interrupt the hon. member for Témiscamingue (Mr. Caouette) but I feel that hon. members are straying considerably from the subject under debate. While his remarks are very interesting, I say with respect that the hon. member for Témiscamingue is straying from the subject matter. We have before us an amendment to the motion for third reading which in effect would delay the coming into effect of some parts of the bill. As this is the matter under debate, I invite hon. members to stay fairly close to that subject.

[*Translation*]

Mr. Caouette: Mr. Speaker, the hon. member is asking for a breakdown and I can meet this request since I have all the necessary figures.

Federal expenditures for social security for thp fiscal year ended March 31, 1971, including National Health and Welfare—not including the transfer payments to the provinces—old age insurance, allowances for the blind or the disabled, family allowances, social assistance, unemployment insurance and medicare, amount to $2,359,534,000. Substracting from this amount the adminiytrative costs for the Food and Drug Directorate and the Amateur Sport program amounting to $23 million, the balance is $2,335,791,000.

The non-budgetary operations: old age security fund: $914 million; Canada Pension Fund: $1,024 million; unemployment insurance fund: $771 million; other accounts—annuities, insurance and pensions for federal civil servants, armed forces, members of Parliament, members of the Senate, Royal Canadian mounted Police, $999 million. Total: $7,043,791,000.

Manpower and immigration: retraining, manpower mobility and assiytance to the provinces: $340 million; Veterans $109 million; Indian and Eskimo Affairs (schools, housing, health and welfare, pension and annuities) $229 million. Grand total $7,722,661,107—

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): You said $14 billion a while ago.

An hon. Member: No, this was the total.

Mr. Caouette: The hon. member for Limoilou—

Mr. Duquet: You said $14 billion.

Mr. Caouette: Yes, $14 billion is the total. I am now speaking of the federal government.

Mr. Duquet: I must say to the hon. member that there is no member for Limoilou. I am the member for Quebec East.

Mr. Caouette: I am speaking about the federal government. If the hon. member wants to add the amounts relating to the provincial government, it is about the same thing for the municipalities.

As for the grand total, the provincial expenses for the fiscal year ending March 31, 1972, they amount to $6,814,500,000.

Mr. Duquet: Yes, but are the 50 per cent included in the federal government expenses?

Mr. Caouette: No, they are not included; those are expenses shared equally by the province and by the federal government.

Mr. Duquet: Yes, by the federal government?

Mr. Caouette: When I say here—

An hon. Member: It is all figured out?

Mr. Caouette: Yes, it is substracted; everything is figured out here, the province pays and the federal government provides the total amount of $14,903,249,000. That is what social security is presently costing in Canada.

An hon. Member: Does that include municipalities?

Mr. Caouette: Yes, it includes municipalities, cities like Montreal, Quebec and Rouyn-Noranda.

Mr. Speaker, this is a plan we are submitting. It can be studied; the economists can wallow in it if they want, and figure it out.

Now, the point I want to make is that we must at all costs adjust the financial system to the physical requirements of our country, that is to say make financially possible what can physically be accomplished. Everybody can understand that easily. We used to hear Mr. Georges-Émile Lapalme, former provincial Liberal leader, say it over and over again on television and radio.

Mr. Duquet: That cost a lot.

Mr. Caouette: Mr. Speaker, last week I was talking to students of three universities in Montreal, McGill, Loyola and Sir George Williams. Last summer, those students were looking for jobs and the government with its Opportunities for Youth program was supposed to get them some. We provided jobs for 400,000 young Canadians through programs set up by the government, but 900,000 students were unable to find a job during the summer.

I tell the younger generation in plain words, if a war was to break out tomorrow, each and everyone of you would find a job in the Canadian army. They would be dressed, fed and even paid to go and fight for Christianity and civilization. Why do we not start respecting Christianity and civilization at home, in Canada. Instead of meddling with financiers who dream up such bills as Bill C-259, let us bring about the necessary monetary reform by subordinating money to the human being and not the human being to money as would presently be the case should Bill C-259 be adopted.

[*English*]

Hon. Eric W. Kierans (Duvernay): Mr. Speaker, I am glad to have this opportunity to speak on the bill and also to take advantage of the statement of the Minister of Finance (Mr. Benson) that the bill in its complexity obviously leaves some things to be desired and undoubtedly the government will be taking steps to amend the bill and to improve it. I should like to point out this evening some of the measures which I think the government should take the opportunity to improve as quickly as possible.

Mr. Alkenbrack: Now.

Mr. Kierans: I think there are certain elements in this bill which are the basis of creating even further problems for the Canadian people and the Canadian economy.

Some hon. Members: Hear, hear!

Mr. Thompson: Mahoney, you should listen to him.

Mr. Lefebvre: You can learn from a Liberal, so listen.

Mr. Kierans: These sections of the bill can lead to further concentration in the Canadian economy, which no one wants. They can lead to an increase in foreign ownership of Canadian industry, which no one wants—

Some hon. Members: Hear, hear!

Mr. Kierans: —and they can also lead, by their continuing emphasis on the resource industries, to grave effects on the government's efforts to increase employment, income and growth in this country. A tax bill, and especially a bill that is called a reform bill, which comes before this House after ten years of work, or since 1962, can only be at the centre or the heart of an integral part of an over-all economic policy. Such a tax bill can only be formulated after a country knows what its objectives are, in what directions it is going, how the bill itself will integrate with monetary policy, with resource policy, with commercial policy and all the other elements. It does no good if a tax bill works in reverse to a commercial policy, or if a manufacturing policy works in reverse or is detrimental to resource policy, or vice versa.

• (9:30 p.m.)

Mr. Speaker, I think everyone in this House is in agreement with the reduction in corporate rates from 50 per

cent in 1972 to 46 per cent in 1976, and the reduction of federal tax on lower incomes from 17 per cent on the first $500 to 6 per cent by 1976. But this is not necessarily reform and is not the whole part of it. What is recognized here is that more buoyant tax revenues from personal and corporate income taxes in an expanding economy should lead to a reduction in tax rates and not necessarily increased federal expenditures. As Professor Daly has shown, Canada's gross national product in the 1953 to 1968 period grew at an average annual rate, compounded, of 7.2 per cent, while personal income taxes increased at a 10.4 per cent rate, compounded. Thus, the rate of growth of personal income taxes far exceeded the rate of the gross national product.

In July, 1971, my colleague, the President of the Treasury Board (Mr. Drury), issued a statement of the financial operations for the country for the first four months of the current year. On page 16 of that statement, table III, one sees that in 1961-62 35 per cent of all federal government tax revenues came from the taxes on individuals. One also sees that in this last current year not 35 per cent of government taxes came from people, but 41.4 per cent. One sees at the same time, Mr. Speaker, that the government collected 23½ per cent of all of its tax revenues from corporations in 1961-62, but today it only collects 19½ per cent of its tax revenues from corporations. So the impact on persons has been gradually increasing during the last decade.

These reductions today, while welcome for the lower income groups, do not in fact ease the load on those with medium salary and wage income. And I would point out the following fact, that in the last ten years, with an increasing rate of tax revenues coming from the individual, from wages and salaries, and a declining percentage coming from the corporate sector, it is very little wonder that today our young people find it difficult to get into business for themselves, on two grounds, that governments now take more from personal income, which makes it that much more difficult to save, and on the other ground that they take very much less proportionately from businesses which are thus much more able to defend themselves from people who might want to enter particular industries.

Fairness in taxation, as it was conceived by the Carter commission, demands that persons with equal amounts of income pay equivalent amounts of tax and that persons with larger or smaller incomes pay proportionately different rates of tax. This principle was enunciated clearly in their report, but this principle no longer obtains. Income is still divided into two classes, income from labour and from enterprise and from effort, and income from rolling over wealth, that is, capital gains. And whatever the rate that applies to workers on wages and salaries, the gains on wealth are going to be taxed at exactly half that rate. Persons in similar circumstances are not treated in the same manner.

Also, Mr. Speaker, I would like to insist that the argument that people would not invest because of a capital gains tax has been disproved over and over again. There is no reason to accept this kind of threat, because they have no choice. If they do not invest for gain, for income or for dividends, then they will have to live off and eat off their own capital, which is far worse.

A second measure here is in the "Summary of 1971 Tax Reform Legislation," where the Minister of Finance introduces for the first time a new exemption for corporations. Corporations will be allowed full deduction of interest if they borrow money to buy shares in other corporations. The primary effect of this clause will be to create conglomerates, firms whose only objectives are growth, growth of assets, growth of revenues and growth of net income. But growth and accumulation are wealth, and wealth is that part of annual income which is not taxed, which is not distributed. To favour wealth and accumulation is to favour size and the concentration of power, and this is neither fairness nor justice. This is the opposite of the main objective of the Carter commission, to make corporations more responsible to people, to shareholders and consumers alike.

How is this going to work? Take the example of major corporations. Imperial Oil had a net income in 1970 of $105 million, Union Carbide had $11 million, Noranda, a Canadian company, had $58 million, and Distillers Corporation, also a Canadian company, had $60 million. On the basis of this new act, Imperial Oil is making as a net income of $105 million on oil and gas and its various subsidiary activities, and it could borrow and reduce the tax burden on that net income something in the order of $500 million. And with $500 million they can buy out MacMillan Bloedel, Domtar, CPR, F.P. Publications and still have a lot of it left over.

This adds to concentration, and one of the curious things about this is that the investment they make in the companies that they buy out, or whose shares they buy, is non-taxable in their hands, but the costs, the interest on making that investment is deductible as a cost from whatever their current operation is. I do not think we have any objection to paying the real costs of gas and oil in this country. But I think we have reason to object when part of the costs that are deducted by the oil company, the distilling company or whatever it may be, is used to buy out other companies in the pulp and paper industry or whatever it may be.

Similarly, Mr. Speaker, I do not think that businessmen are too happy about this. When speaking recently to the president of a very large corporation who thought this was a good section in the act, I pointed out to him, "You are thinking of buying out so and so," and he said, "Yes." I asked, "Have you thought that so and so can also buy you out?" It just leads to more concentration in the Canadian economy at a time when the country itself is looking for more competition.

• (9:40 p.m.)

One could be surprised that we have a bill before this House, Mr. Speaker, which seeks to improve competition, to protect the consumer, to reduce mergers, and at the same time we have a section in the tax reform bill that serves only to force that concentration, and increasing mergers that will be inevitable as a result of this section. I think that the officials of the Department of Consumer and Corporate Affairs and the officials of the Department of Finance might well get together to find out in which direction they are going, or if they are meeting each other in crossing.

Some hon. Members: Hear, hear!

Mr. Kierans: I should like to point out something else, Mr. Speaker. This particular exemption applies to all Canadian corporations—not just to Canadian corporations that are wholly owned or controlled, but to all Canadian corporations. On the basis of value alone, Distillers could buy a controlling interest in Imperial Oil, Imperial Oil could buy a controlling interest in MacMillan Bloedel and Distillers, and so on, but it only works one way. Imperial Oil could buy the controlling interest in the two Canadian companies, but the two Canadian companies could not buy the controlling interest in Imperial Oil because that resides in the United States. At a time when we are worried about foreign ownership we give an "open sesame" to foreign subsidiaries that are here already to go out and buy more Canadian companies. Then the Minister of Finance tells them, "We will pay half the cost by allowing you to deduct that interest cost from whatever profit you are making and whatever business you are in".

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Kierans: Mr. Speaker, as most of my hon. colleagues know, I have been extremely concerned at the emphasis in this country for the last 20 years on the policy that we can build a strong Canada by selling our resources.

Mr. Rondeau: Selling, or giving away?

Mr. Kierans: When he returned from the Group of Ten meeting in Rome, the Minister of Finance said that he was congratulated by all the finance ministers in the group on having the most remarkable and modern tax bill. I do not think they read it, those other ten ministers of finance. And if they did read it, I do not think they understood it or that they agreed. But they did agree to one thing. If you, Mr. Speaker, were the minister of Finance for Japan, Germany or the United States, you would have said, "Have you done anything to change that give-away tax program on resources that you have in Canada?" The answer would have been no, and they would have been very pleased with the bill.

Some hon. Members: Hear, hear!

Mr. Kierans: They all depend on resources, Mr. Speaker—all of them. If Canada stays with cheap taxes—

Mr. Guay (St. Boniface): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for St. Boniface (Mr. Guay) is rising on a point of order.

Mr. Rondeau: He wants to make a speech.

Mr. Guay (St. Boniface): It is not a speech, but I could do that, Mr. Speaker. This is the only time that someone is making a point, and I should like to listen to it because members of the opposition have not contributed anything. We have listened to them, so I wish they would keep quiet.

Mr. Dinsdale: He is quoting the opposition, Joe.

Mr. Kierans: If Canada stays with cheap taxes—and by cheap taxes I mean the oil and gas industry in pipeline and oil wells which pay taxes of less than 6 per cent of the profits they earn; by cheap taxes I mean the mining industry in their metal mining operations which pay taxes on 13 per cent of the profits they actually make—and with this kind of policy, then the foreign ministers of finance who want these resources are going to like our tax policies very much. They can also use them to beat down developing nations in the world whose only possibility of ever taking off into industrial growth would be to obtain an adequate return when they come to sell their own resources so that they can industrialize even in the most modest way.

These ministers of finance know that the more we insist on selling our resources as we do in this way, we show our preference for taxing these kinds of exports at such phenomenally low rates and manufactured exports at much higher rates; as long as we are willing to do this they are willing to buy, and they know that every hundred million or billion dollars worth of our resources that they buy, that money coming into this country makes it that much more difficult for the Canadian manufacturing industry to compete, because our dollar goes up and Canadian manufacturing finds it more difficult to compete in the export markets that they may have, or to defend themselves against import competition at home.

When virtually every other nation in the developing, industrialized world follows a policy of conserving and reducing the drain on its industrial resources, by outrageous tax concessions accorded to no other sector of our economy we encourage the exploitation and sale of our resources. The official position of the Department of Finance has been and I quote:

> There is no inherent reason why Canada cannot be a major exporter of raw materials and of manufactured goods at the same time.

This is demonstrably false, Mr. Speaker. You cannot have both. When each of our major trading partners—and we know since August 15 the emphasis they place on balancing their trade account—is searching for a balance in their merchandise trade with us, they will be striving to pay for the import of our raw materials with their manufactured goods.

An additional $1 billion export of energy to the United States, for example, would give us in this country $68 million in wages and salaries. But that balancing inflow on which Mr. Connally and Mr. Nixon are insisting in manufactured goods could mean that we are importing anywhere from $200 million to $350 million in their wages and salaries, depending on the industry. If it is the furniture industry, we would be exchanging $68 million for $330 million. If it is the textile industry, 26 per cent or $260 million on an average of their output is composed of wages and salaries. If it is agriculture, wheat or products like that—and I am at no time speaking of pulp and paper or wheat and fish and hydroelectric power, which are renewable resources; I am speaking of non-renewable resources and agricultural products—the average is 26 per cent. If it is pulp and paper, the average is again 26 per cent. So we are exchanging 6.8 per cent or $68 million out of $1 billion, for $260 million. We cannot have our cake and eat it too. It is some exchange! There may be a balance of trade in dollar terms, but there is no balance of trade in jobs or wages and salaries.

Mr. Rondeau: Right. No wonder we are so poor.

• (9:50 p.m.)

Mr. Kierans: Mr. Speaker, a nation's natural resources are not past-production; they are the wealth of its soil and waterways. As such, they cannot be viewed in the same light as current production, as goods and services that we produce each year. Those goods can legitimately be disposed of at will by the people who produce them currently in any given year. Resources are a trust. They have been received from the past. They are to be husbanded by the present generation and they are to be passed on to future generations. A generation that deliberately squanders a nation's natural wealth—I emphasize "deliberately squanders"—to enhance its own standard of living will have much to answer for.

Some hon. Members: Hear, hear!

Mr. Kierans: A government that deliberately pursues a policy of selling off the natural wealth of its people to achieve short-run gains breaks faith with its own future. It reveals, by the forced sale of its assets, its inability to devise the set of objectives and economic policies that will increase output and distribute it more equitably on an annual basis. It admits that the standard of living we enjoy today depends on the selling of our capital in natural wealth as well as on our own efforts.

Unfortunately, Canada decided in the late forties and early fifties to ensure a rapid rate of growth by selling off its non-renewable resources. This policy was permanently enshrined in our tax legislation in 1955 and still survives, despite the bill before us today. The current attempts of the resource industries—we have all received letters and been under pressure from these people, particularly from the Mining Association of Canada—to prove their unboubted value to the Canadian economy are based on considerable exaggeration and sometimes border on hysteria. Their use of the multiplier, which one sees so much of in their advertising would, if accepted and applied to all sectors of the economy, force on to conclude that there are between 12 million and 14 million people presently employed in this country instead of 8 million plus the half million unemployed.

I have been constantly amazed, Mr. Speaker, by the violent and vehement representations of the captains of our resource industries as they fight to maintain their existing exemptions. I realize that a privilege once enjoyed is hard to forgo. One can accept their self-interest; but they must also admit the rights to measure their private and immediate gains against the longrun social advantage.

Some hon. Members: Hear, hear!

Mr. Kierans: They exist, not by some divine right but by the will of the people as represented by the members of this House, and I think their current intransigence and threats could easily lead to nationalization. If we were to eliminate all the concessions, depletion, accelerated depreciation, capital cost allowances exceeding actual funds invested by between 15 per cent and 33-1/3 per cent, and so on, the federal government could reduce the corporate tax rate to 35 per cent on all firms in all sectors of the economy without any loss of revenue. At the present time, the outrageously low effective tax rates in the resource sector directs investment into those low employment sectors and discriminates against investment in the heavier employment manufacturing and service industries. A corporate tax rate that would affect equally all branches of economic activity would not distort the investment decision-making process to the extent that is achieved by our present system.

If the government should agree that a 35 per cent corporate tax rate without concessions, without exemptions and without special immunities would yield the same revenues, I see no reason why this rate cannot be confined to wholly-owned or controlled Canadian companies. Every nation favours its own citizens in one form or another. We have only to cite the most recent example, the United States with its investment allowance, its 10 per cent import surcharge and its DISC program. Those programs do not favour Canada by any means. So far as I know, they favour American firms. If we were intelligent and sovereign, we could devise tax rates that would favour our own Canadian firms in the very difficult situation in which they find themselves. Let the corporate tax rate on foreign subsidiaries be whatever that rate is in the home country of that subsidiary. If the rate is 52 per cent, as in the United States—and it is that high because of all their tremendous objectives, their military efforts and their flights to the moon—let the rate for American subsidiaries in Canada be 52 per cent.

If the rate is 40 per cent, as in the U.K., the rate for U.K. subsidiaries in Canada ought to be 40 per cent. In no instance, however, should we allow that rate to be less than the Canadian rate of 35 per cent. On the basis of their existing initiatives the Americans could only say that we are in accord with their policies because we would be avoiding encouraging new American subsidiaries to locate in this country and we would really be acting within the spirit of their DISC program.

Similarly, we could enlist the entire Canadian entrepreneurial community in trying to reverse and turn around the trend toward increasing foreign ownership. This cannot be done alone by a Canada Development Corporation, or by half a dozen such corporations. This would require the united effort of all elements in the Canadian business and financial community.

Mr. Benjamin: How would you get them to do that?

Mr. Kierans: It has not been my experience that the company with the 50 per cent tax rate drives out the Canadian company with the 35 per cent rate. Rather, the trend of the last few years would be turned the other way around. I should simply like to say—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member—

Some hon. Members: Continue.

Mr. Kierans: I would be only a few more minutes, Mr. Speaker.

Mr. Benjamin: Let us not see the clock.

Mr. Mahoney: On a point of order, Mr. Speaker, since as I understand the hon. member is about to conclude his

remarks, I wonder whether there might be unanimous consent to allow him to do that.

Some hon. Members: Agreed.

Mr. St. Pierre: On the same point of order, Mr. Speaker, may I point out that no less than six of the 130-odd members of the national press gallery are listening to the hon. member's speech. That is almost a record number.

Mr. Deputy Speaker: Order, please. I was about to ask if there was unanimous consent for the hon. member to continue. Is there such consent?

Some hon. Members: Agreed.

Mr. Kierans: Let me quote what Professor Gordon, professor of finance at the University of Toronto, has said:

—on its own, Canadian industry cannot provide an adequate response to the challenge of foreign competition. Strong and efficient competition is required in the area of taxation and beyond it as well. The alternative is a drift down the road toward a Venezuelan type economy—a large modern resource extraction industry that provides very little employment, a large unproductive government bureaucracy,—

Those are his words, not mine.

—an inefficient weak manufacturing sector, increased imports of manufactured products, and rising government expenditures to provide for the unemployed.

Tax policy, Mr. Speaker, should be restructured. It should be neutral, but it should nevertheless favour those sectors of the economy that will give us the most employment and the most growth.

Mr. Benjamin: Then it cannot be neutral.

Mr. Kierans: The relative productivities of the Canadian and American economies are not equal. When one finds that the Canadian dollar is equal to the American dollar, one says at the same time that our productive capacity and our climate is the same as theirs, our financial resources are the same as theirs and the size of our markets is the same as theirs. Yet when one gets into business he knows it costs more to build a plant here, with our heavy construction and heavy heating costs. All of this would argue that our productivity, while as good as theirs in the abstract, cannot measure theirs in the concrete. When policies suddenly result in two equivalent dollars, when neither the resources nor the productivities of two nations are the same, one must argue that such monetary policy is itself at fault.

• (10:00 p.m.)

One only has to look at the tightness of our monetary policy in the last decade to find that we have caused a great deal of our own problems. The higher interest rates have forced provinces to go to New York, borrow there, bring the money back here and increase our exchange rate. Also, our resource policy emphasizes the exports of those industries.

I thank Your Honour for your patience, and I thank my colleagues in the House. I am aware that some of my colleagues will disapprove and will be disappointed in what I have said. But let me look at it on the positive side. Ten years ago a group of men were named to draft for Canada a fair and just taxation policy that would emphasize growth, employment and stability in the economy. I do not think that task is over. All I want to do is remind the Canadian people and the Canadian government tonight that after ten years that task is not over. This task has to be begun again. I sincerely believe this government can put together all of the elements of an economic policy that will give us growth and employment. In any event, I certainly hope so.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Would the hon. member who has just resumed his seat allow me a question?

Mr. Kierans: Of course.

Mr. Rondeau: Would the hon. member tell us whether he will vote for or against the bill?

Mr. Kierans: We shall find out tomorrow when the question is put.

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL LIBRARY—INQUIRY AS TO APPOINTMENT OF ADVISORY BOARD

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, last week I directed a question to the Secretary of State (Mr. Pelletier) regarding the appointment of a board that would support the work of the national library as provided for in the National Library Act. The National Library Act was approved by this House some two years ago. One of the very vital parts of the act was the provision of an advisory board, council, or whatever you like to call it, that would assist the national librarian and his staff in providing the most effective library service for Canadians everywhere.

When I posed the question, rather flippantly, the Secretary of State replied that the board was going to be appointed quite soon. That was the same answer he gave a year ago almost to the day. When the act was being considered by a parliamentary committee, the National Association of Librarians came before us expressing concern that they were not going to be too closely involved in the functioning of the new national library. Those Members of Parliament who were on the committee strongly sympathized with the viewpoint expressed by the library association, and in his appearance before the committee the Secretary of State expressed his desire to seek the advice of representative librarians in all the provinces of Canada. This is why I think the matter of appointing the board has become one of extreme urgency.

The establishment of a national library in this country was far too long delayed. It was not until 1962 that the Conservative administration of the day cleared the way

for the establishment of a library. Dr. Charles Lamb, who had been designated as the national librarian—he had been originally the dominion archivist—was appointed to head up the project, and it was regarded as the dawn of a new age in terms of the provision of unbiased information for Canadians concerning all aspects of life in Canada.

It was hoped that the national library would co-ordinate with the university libraries. It was also anticipated that the national library, through an advisory board, would be able to co-ordinate with the provincial libraries. I think that one of the reasons the national library, notwithstanding the fine accommodation that has been made available, has not been functioning at maximum effectiveness is the long delay there has been on the part of the government in appointing this advisory board.

Tonight I should like to know the reason for the delay from whoever will be speaking for the government. I suggested the other day during the question I asked that it might because the Secretary of State is preoccupied in establishing another information service known as Information Canada. I referred to that informational centre as the chosen instrument of propaganda for the government. Why so much emphasis on Information Canada, and why de-emphasize such an important institution as the national library of Canada?

I do not know what Information Canada is doing in terms of providing widespread knowledge to Canadians in all parts of the country. But I did examine the latest report that came out covering the activities of Information Canada for October and I noticed that in the national inquiry centre here in Ottawa there were some 176 items, amounting to about eight per day, including such important subjects as congratulations to the Hon. Martin O'Connell on his appointment to the ministry, one complaint that Toronto had to wait too long to receive government information out of the bookstore, and one complaint about the futility of Information Canada's feedback role.

Again it is a matter of emphasizing priorities. Surely the national library takes precedence as an unbiased source of information, as an information Canada centre, over the Johnny-come-lately government information propaganda bureau, if I may use that term, Information Canada. I trust we shall be given an assurance tonight that an advisory board will be appointed, not "very soon", which was the answer given a year ago, but immediately, so that this vitally important institution, the national library of Canada, may play its full role as a centre of genuine, unbiased information.

• (10:10 p.m.)

Mr. Gerald Richard Cobbe (Parliamentary Secretary to Postmaster General): Mr. Speaker, consultation with all interested parties with respect to the appointment of the national library advisory board is complete. We are at present urging that all vacancies in our agencies be filled, and the national library advisory board is considered a priority. Thus, the hon. member can expect action to be terminated before the spring of 1972.

Mr. Knowles (Winnipeg North Centre): Terminated?

TRANSPORT—METRO CENTRE DEVELOPMENT, TORONTO—ESTABLISHMENT OF COMMITTEE TO WORK WITH PROVINCIAL AND MUNICIPAL AUTHORITIES—STUDY OF TRANSPORTATION NEEDS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, last Friday I asked the Minister of Transport (Mr. Jamieson) a question concerning a project which would have a massive impact on metropolitan Toronto and, indeed, on southern Ontario generally—a billion dollar super-scheme which in ten or twenty years will dominate the future of the city. I refer to the metropolitan centre development project.

It is proposed to build a complex on 190 acres of the most important part of the land available in the neighbourhood of Toronto. There is talk of 50,000 offices to be constructed, of 20,000 housing units, of the use of the former Union Station, known to many visitors to Toronto, to be changed and the building to be incorporated somehow or other in the plan. I asked the minister whether, in light of the importance of this proposed billion dollar project, the government would set up an intergovernmental committee to work with the other authorities concerned in connection with the problems arising out of such a development.

The minister said that there had been consultation with parties to the project as far as the transportation aspects were concerned, though he was not sure he could say that a formal working party had been set up, either intergovernmental or interdepartmental. I found the minister's reply to be altogether unsatisfactory, although I appreciate his expressed willingness to discuss with any interested group the federal role in the project.

There are three major elements in the federal role. The first concerns transportation. This is a development of the railways, the CN and the CPR. Many studies have been made with regard to it, and what I should like to see is some disclosure to the public of the results of these studies, some consideration given to the way in which future development of the area will be affected. Has the minister sought, in discussion with the developers, to secure adequate safeguards for an extended passenger commuter train service? Is he considering the provision of rights-of-way for future developments in transportation, such as air-cushion vehicles?

The second area in which the government has an interest is housing. Only a few days ago the president of CMHC called attention to the acute housing shortage in Toronto. Does this scheme provide adequate accommodation of the kind most required? One of the great needs in this area is low cost housing. Will the scheme be developed on this basis, or will it be designed to produce the highest possible profit?

Another subject of extreme importance from the federal point of view is that of pollution. What will the sewage from 20,000 residences and 50,000 or more office workers do to the whole problem of pollution in that area, which is already something of a blighted area rendered unfit for human habitation by the foul stench which comes from the Ashbridge Bay sewage plant?

These three aspects, transportation, housing and pollution are all matters the federal government is concerned with, and what the public in our area wants to know is

whether or not there is a co-ordinated approach, whether or not there is planning in respect of this matter and whether the project and the agreement the developers want to make with the city of Toronto will provide adequately for dealing with future developments in this field. It is of the utmost importance that there be public participation in this scheme. The planning staff of the city of Toronto was overridden by the council of that city. Safeguards in the planning legislation of the provincial government have been set aside by special legislation dealing with the subject. It is important that the federal aspect be one which is open to public participation, public knowledge and public concern.

I should like to conclude by saying my point is simply that such massive redevelopment of a vital piece of Toronto demands widespread critical attention and public scrutiny. The scale of this attention and scrutiny must match the colossal scale of the development itself. There is a philosophy which ought to lie behind an examination of this matter. It is that the quality of life has become a fundamental concern. Bigger is no longer better. Development does not reside in building more and growing bigger. Development must mean qualitative improvement of the working and living conditions of the citizens of this city, one of the great metropolitan areas of our country.

I want to hear from the minister. I know the parliamentary secretary will not be able to answer all these questions tonight, but I give him notice that I and members who represent other interested areas—I see one in the House tonight—will show our concern about this matter and will see that there is public participation in this massive project which will affect the future and the lives of a very large number of the citizens in this part of the country.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The hon. member for Greenwood (Mr. Brewin) raised two main points in his question of December 10 to the Minister of Transport (Mr. Jamieson) concerning metro centre development in Toronto. The first one was whether there was inter-governmental liaison on matters such as transport in the metro centre development.

Mr. Speaker, several committees have been formed. The intergovernmental liaison committee includes federal, provincial, metro and city of Toronto representatives. In addition to this there is a second group called the intergovernmental technical co-ordinating committee. Again, it consists of senior representatives of various federal, Ontario, metro and city departments. Overlapping problems are discussed at this level and there is a full measure of co-ordination on matters of transportation policy.

• (10:20 p.m.)

The second question put by the hon. member was whether any studies had been undertaken by the government to establish the transportation needs of the Toronto centre region. The answer to this was, of course, yes. A good many studies under federal auspices are under way. The minister mentioned one, the Toronto commuter rail study. This involves representatives from both major railways, from Ottawa and the province, metro Toronto and the Toronto Transit Commission. There is a great deal of work being done at all levels to ensure effective liaison and co-operation between all those involved and between the public and private sectors.

As for the many other points that have been raised by the hon. member, there is no doubt in my mind that most of them must be part of the studies under way. Nevertheless, I have taken good note of the points mentioned and I shall bring them to the attention of the minister.

AGRICULTURE—SPECIAL LOANS TO EXHIBITIONS—EXTENSION OF PROGRAM TO INCLUDE CLASS D FAIRS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question to the Minister of Agriculture (Mr. Olson) on December 15 was to ask him to extend the $10 million loan program recently announced for class A and B fairs to class C fairs and to the smaller communities of this country. You suggested that there is no urgency in this question because fairs are not held at this time of the year. However, I say to you that this money is part of the emergency budget brought forward by the Minister of finance (Mr. Benson) in October to provide winter employment, and therefore there is urgency in this question.

I applaud the action of the government to make low interest loans available to exhibition commissions, not only for winter works but as a continuing program, and I understand that the minister plans to make $100 million of loan funds available under this program over the next 15 years. The loans can be up to 90 per cent of the cost of the buildings, and paid over a 30-year period. With interest rates at a very minimum, just a fraction of a percentage point above the level at which the federal government can borrow money, it is easy to see that the value of this program cannot be questioned. These buildings will serve not only for agricultural purposes but for community activities, recreation and sports activities.

However, having said all these good things about the program, now I must tell the bad. This program is only available as announced to class A and B fairs. These are found only in the larger centres. The program as it is now will only be available, I believe, to one community in northern Ontario, that being Thunder Bay which happens to have a class B fair. However, communities that do not have any fair board will be ineligible for this program. There are five fairs in my constituency, all of which are of class C size. They are located at Bruce Mines, Iron Bridge, Massey, Providence Bay and Manitowaning. Each of these fairs makes an outstanding contribution to the community. Their directors work diligently every year to improve their annual exhibitions, fairgrounds and exhibition buildings. They do this without pay. The only reward they get is the satisfaction of improving and aiding their communities.

This program should be to serve these smaller fair boards as well as the large ones. The Ontario government gives grants of up to $10,000 on a total expenditure of $40,000 for community centre buildings. This is available to all communities and all sized fairs, big and small. This is a grant which the Ontario government provides, whereas the federal program is only a loan program. It really does not cost the federal government very much to provide this. All we are really doing with this program is using the federal government's borrowing power to aid

communities to provide these public buildings at the lowest possible cost.

So I ask the minister to expand the program to help the smaller towns and communities across this country which need it. I would also ask that the regulations be brought forward immediately and that application forms be made available as well, so that the public may make use of this program and communities who need these funds will have them as soon as possible. For instance, the town of Bruce Mines in my constituency has an expansion undertaking going on at its fair exhibition building during the winter months. It needs this program. I would ask that the program not only be expanded but that the regulations, application forms, and ultimately the loan funds, be made available as soon as possible.

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, since the minister announced this program a few weeks ago the department has received many representations from hon. members and from organizations throughout the country. I would first like to express my sincere appreciation and transmit the appreciation of the Minister of Agriculture (Mr. Olson), to the hon. member for Algoma (Mr. Foster) who has raised this matter on more than one occasion with the minister and who has written him on the subject.

Tonight it is my privilege to tell the hon. gentleman that his confidence in the department will bring him some pleasure, because within a few days the minister will be in a position to table the rules and regulations that will cover those grounds, and at the same time they will be applied to the type of fair about which the hon. member has been talking, and expressly to fairs in class C. I hope this program will be useful throughout the country and that we will be in a position to help as many people as possible. I thank the hon. gentleman for having pressed the matter so strongly with the department.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Friday, December 17, 1971

The House met at 11 a.m.

ROUTINE PROCEEDINGS

POWER

TABLING OF INTERNATIONAL JOINT COMMISSION REPORT ON PROPOSED FLOODING OF SKAGIT RIVER VALLEY—STATEMENT BY MINISTER

Hon. Jack Davis (Minister of the Environment): Mr. Speaker, I should like to table the International Joint Commission's report on the environmental and ecological consequences in Canada of raising Ross Lake in the Skagit Valley on the west coast.

As hon. members know, the International Joint Commission was asked earlier this year to study a proposal to flood the Upper Skagit Valley in British Columbia. The commission's report, which I have just tabled, has been submitted to the governments of Canada and the United States in response to a request from Ottawa and Washington to review the environmental consequences of raising the Ross dam in the state of Washington on the other side of the border. I would like to thank the six-member International Joint Commission for preparing its report on such short notice. Since April, 1971, it has held hearings on the west coast and carried out various studies, the results of which are being made public in our two national capitals today.

The commissioners report that the High Ross reservoir, were it to be filled, would flood 10 of the 15 miles of the reach of the Skagit River that is the most suitable for fishing and recreational pursuits. It would inundate approximately 5,180 acres in Canada. This is more than 40 per cent of the 10,550 acres of reasonably flat land in the valley.

The commission finds that the Skagit Valley is an uncommon and non-restorable area and has important social values. It also finds that this flooding will result in the loss, in varying degrees, of some important elements of the local environment and, to use its own words, a simplification of the ecology. The commission also tells us that:

> The time limitations of this study precluded obtaining information on the cost of mitigating the effects of flooding in the valley. . . .

The quotation continues:

> In the absence of knowledge of the costs of protection and enhancement and having only rough estimates of the benefits that might accrue, the commission recommends that these mitigative measures be fully studied before the Ross dam is raised, and that they be undertaken to the extent that the government agencies concerned find them feasible.

Finally, the International Joint Commission tells us that:

> Under normal conditions, a study of environmental and ecological conditions should encompass three full years. In contrast, this study was conducted over a period of four months, from early June when public hearings were held, to early October. Therefore, the investigation of the advisory group consisted mainly of an interpretation of raw, and sometimes incomplete, data collected by others and to a review of published reports.

The Canadian government's position is that these environmental and ecological conditions should be fully understood and carefully assessed before any additional flooding is contemplated in the Upper Skagit Valley in British Columbia.

We shall, of course, be examining the International Joint Commission's report in detail, as will the government of British Columbia and the relevant authorities in the United States. After we have completed this review, we will again be discussing the future of the Skagit Valley with our opposite numbers in Victoria and Washington, D.C. The government will be making a further report to the House at that time.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the excerpts from the International Joint Commission's report quoted by the minister confirm the impression widely held in British Columbia, which I share, that the Skagit Valley is an uncommon and non-restorable area which has important social values. It also finds that flooding will result in the loss in varying degrees of some important elements of the local environment and a simplification of the ecology. In other words, the study confirms the impressions generally held in that region concerning the importance of preserving the environment in the Skagit Valley and the damage that would be done by flooding.

My impression from the brief excerpts the minister has read from the IJC report is that the commission did not consider banning or recommending indefinite postponement of the actual flooding. The commission did not consider recommending the deferment of the hydroelectric development. The commission's recommendations seem to be confined to the scope of measures which might be taken to mitigate the damage that would be done to the environment in the Skagit Valley. As I say, this is the impression one gets from the excerpts given us by the minister. It is disappointing to many, including myself, that the International Joint Commission did not recommend abandonment of the flooding and seems to confine its recommendations simply to mitigating the damages that might be caused by such flooding. However, the commission has emphasized the importance of preserving the valley. It has emphasized that the damage which it predicts would be done would be irreparable.

Flooding of Skagit River Valley

• (11:10 a.m.)

In these circumstances I think it is urgent that the minister and the government act with great vigour. When the minister speaks about studying the report and then taking action, quite frankly this does not suggest very much to me in the way of vigour. I would have thought the minister would promptly study the report and would have come before the House with a definite recommendation on how he and the government intend to proceed. It is necessary to act with vigour to preserve a valley that the International Joint Commission has recognized as important, a valley that it has recognized as being threatened. I hope, therefore, that the minister will in fact act with more vigour than his statement to the House this morning seems to indicate. Indeed, now that the Prime Minister has demonstrated that he has great success with President Nixon and he has been able to make breakthroughs there and to persuade the President to give fantastic assurances to Canada, perhaps the minister may be able to persuade the Prime Minister to take up the case directly with the President.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, the issue of the Skagit Valley has been before the House for almost two years now and today the Minister of the Environment (Mr. Davis) has presented us with a very attractively wrapped Christmas present. Our problem is that we like the wrapping but we are not certain at the moment what is inside. We hope that some time we can open it up and perhaps even ventilate the whole issue. That would be nice.

The statement of the minister seems to be hopeful. The government seems to be saying rather piously that at the moment the flooding should not be proceeded with. The statement also seems to confirm what the people of British Columbia have felt for some time, that since this valley is one of the last remaining unspoiled recreational resources adjacent to a large population centre it should not be flooded.

Unfortunately, when the agreement of 1942 was reached and the decision to go ahead was made, environmental and recreational matters were not of the consequence that they are today. There was not general public appreciation of the value of this kind of unspoiled resource. The International Joint Commission because of the terms of reference given to it on April 7, 1971, could hardly reverse its position of 1942 even though it may have genuinely felt that the earlier decision was in error. The commission was locked in by government terms of reference so narrow that all it could comment on was the extent of the environmental consequences. I felt last April that this was a delaying tactic and that ultimately the axe would fall on the Skagit Valley and we were just going to be let down easily. I suppose today I am still suspicious or at least fearful that the flooding will occur eventually. I hope we can have an end to or at least an amelioration of the environmental irritants—that seems to be a popular word lately—in Canada-U.S. relations. There have been several environmental irritants lately, as well as economic ones, involving such things as nuclear blasts, oil tankers and the Skagit Valley.

I think it is important that the government indicate frankly what it is going to do. The minister's statement

seems to say that more time is required to study this matter, that the government is going to wind it down, and diffuse the issue. It will not satisfy the people of British Columbia to learn before too long that the minister has allowed the flooding to be proceeded with. What BC citizens want to know is what the government is going to do to stop it. That is really the only solution that will be acceptable in British Columbia.

Perhaps the minister, as he hints in the last paragraph of the statement, might be encouraged to open up bilateral talks with the United States in the hope that the people in Washington, who are also aware of the public concern for environmental matters these days, will realize it is sheer lunacy to continue to flood recreational areas near large urban centres. This will be in keeping with the sentiment in Canada that as Canadians we are no longer content to be hewers of wood and storers of water.

[*Translation*]

Mr. Leonel Beaudoin (Richmond): Mr. Speaker, I must say that I received at the very last minute the text of the report the minister has just tabled, and in English only. However, I shall not deprive myself of my right to congratulate the International Joint Commission on its study and on the report it has submitted.

We are glad the hon. minister has, according to his statement, committed himself to follow closely the consequences of construction of the dam and, if possible, to prevent it in order not to deprive the people of Canada again of their environment, their heritage and to ensure a sound environment for the future.

* * *

[*English*]

WAYS AND MEANS

TABLING OF MOTIONS—DESIGNATION OF ORDER OF THE DAY TO DEBATE MOTION RELATING TO 1971 TAXATION YEAR

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, on behalf of the Minister of Finance, pursuant to Standing Order 60 I am laying on the table two notices of ways and means motions which follow from the statement by the minister on October 14, 1971, and which supersede the notice of ways and means tabled that day.

One of these notices of ways and means relates to the 1971 taxation year and the other relates to the 1972 taxation year. I would be obliged, Mr. Speaker, if you would designate an order of the day for consideration on Monday of the notice of ways and means relating to the 1971 taxation year.

* * *

HOUSE OF COMMONS

SUGGESTED PRESENCE OF MADAME DEFARGE FOR TAX BILL VOTE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, under the provisions of Standing Order 43 I ask

unanimous consent for the purpose of presenting a motion the necessity of which is related to an event that will take place later this day. I move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That the officers of the House be asked to make arrangements for the admission to the House of Commons gallery this afternoon at 3.45 of Madame Defarge, and that she be allowed to bring her knitting.

Some hon. Members: Oh, oh!

Mr. Speaker: I would not think this is a motion which the Chair should be required to put to the House. I think the hon. member would agree with a ruling from the Chair in that direction.

* * *

• (11:20 a.m.)

ENERGY

AVAILABILITY OF NATURAL GAS TO CANADIANS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, under Standing Order 43 I wish to raise a matter of urgent and pressing necessity. Panarctic Oil Company, of which the government is the largest single shareholder, has recently brought in its fourth gas well which indicates the presence of a major gas field in the Arctic. This company is reported to have entered into an agreement giving certain United States companies first refusal of this gas despite the misgivings of the National Energy Board regarding the availability of sufficient natural gas to meet anticipated Canadian requirements. If there is unanimous consent I propose to move the following motion, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the whole matter of making Canadian natural gas available to the Canadian people at the lowest possible price and the role of the Panarctic Oil Company in such a policy be referred to the Committee on National Resources and Public Works with instructions to report back its findings to this House at the earliest possible date.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Nanaimo-Cowichan-The Islands under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion cannot be put.

* * *

FISHERIES

COST-PRICE CRISIS, NORTHWEST TERRITORIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I rise on a matter of urgent and pressing necessity to seek consent under the terms of Standing Order 43 to move a motion, seconded by the hon. member for Selkirk (Mr. Rowland), in the following terms:

That the present cost-price crisis in the winter season fishery of the Northwest Territories and the role of the Freshwater Fish Marketing Corporation in this situation, as outlined by Great Slave Lake Fishermen's Federation in a submission to the Minister of Fisheries on November 24, 1971, be referred to the Standing Committee on Fisheries and Forestry for investigation and report.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion cannot be put.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

MEETING BETWEEN CANADIAN AND BRITISH PRIME MINISTERS—TOPICS FOR DISCUSSION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. Prime Minister if he can tell the House what topics he wishes to discuss with Prime Minister Heath today and if he has received any indication from Prime Minister Heath of the topics he would like to raise?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in exchanges between officials the decision was put to us and we agreed that there be no specific agenda. The indication was given to me that on the British Prime Minister's part he would want to talk somewhat about Commonwealth problems. Particularly, he would want to talk to me about Rhodesia and the recent settlement for which they have been striving. We would want to talk about the British entry into the Common Market. On my side I want to report to him on Canada's progress in its negotiations with the Americans. We also decided to talk about Canada's position in some of the international moves toward disarmament in Europe.

Mr. Stanfield: I should like to ask the Prime Minister whether he intends to seek the support of Mr. Heath for the Canadian position with regard to the floating of the Canadian dollar—I apologize to the hon. member for St. Boniface, Mr. Speaker—and the desire of the Canadian authorities to maintain an appropriate relationship between our dollar and the United States dollar? Does the Prime Minister intend to seek the support of Mr. Heath for the Canadian view?

Mr. Trudeau: Mr. Speaker, as I indicated I shall be discussing at some length Canada's position in these international monetary problems, and I hope that my arguments will appear convincing enough that the British will want to support our position.

Mr. Stanfield: Will the Prime Minister be discussing with Mr. Heath the India-Pakistan problem and, in par-

ticular, can the Prime Minister tell the House the position that he will be taking in the discussion of this question with regard to the recognition of Bangla Desh?

Mr. Trudeau: Yes, Mr. Speaker, we will obviously be discussing that question and perhaps exchanging what information we have on our positions on the future of that part of the world.

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. Does the Prime Minister feel confident that he will be able to wring from Mr. Heath one of those fantastic assurances that Britain has no intention of taking Canada over economically?

Mr. Speaker: Order, please.

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ENERGY

NATURAL GAS DISCOVERIES IN ARCTIC ISLANDS—PANARCTIC AGREEMENT TO GIVE FIRST REFUSAL TO AMERICAN COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, in the absence of the Minister of Indian Affairs and Northern Development, who is on the roster but unfortunately not able to be here today, may I direct my question to the Prime Minister. Since the Canadian government is the largest single shareholder in Panarctic Oils Limited, may I ask whether the Canadian government concurred in the agreement which that company entered into to give first refusal of the gas discovered in the Arctic Islands by Panarctic to a consortium of American companies consisting of Tenneco Oils and Minerals Ltd., Columbia Gas Systems Inc., Texas Eastern Transmission Co., and Northern Natural Gas Co. Did the Canadian government representative on the board of Panarctic Oils Limited concur in this agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, for a more complete answer I will take notice of the question on behalf of the minister. But I must point out to the hon. member that, to my recollection, this does not apply to first refusal on all gas produced. For instance, gas for Canadian use would not be affected by this first refusal. It would be gas for export. I repeat, that is my recollection of the matter.

Mr. Douglas (Nanaimo-Cowichan-The Islands): In view of the concern contained in the report of the National Energy Board regarding the availability of gas to meet foreseeable Canadian requirements, would the Prime Minister undertake to have the Minister of Indian Affairs and Northern Development make a statement to the House on what the government's policy is with respect to gas and, particularly, whether or not all or part of the gas produced by Panarctic has been hypothecated to the American consortium to which I referred?

Mr. Trudeau: Mr. Speaker, as to the first part of the question, I will bring it to the minister's attention and perhaps he will make a statement. Perhaps the opposition would prefer to ask questions on specific points. Answering the other part of the question I reiterate that the negotiations with these American companies concern gas to be exported. This does not affect gas to be used in Canada.

Mr. Douglas (Nanaimo-Cowichan-The Islands): Since there seems to be some difference between the Prime Minister's statement and the reports on this agreement, would the Prime Minister undertake to have a copy of this agreement tabled in the House?

Mr. Trudeau: I will take notice of the question, Mr. Speaker.

NATURAL GAS—FEASIBILITY STUDY OF TRANSPORT FROM ARCTIC

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, may I direct a question to the Prime Minister. We have referred before to the fact that the Minister of Energy, Mines and Resources has been ill, unfortunately, and absent from the House. This is an important subject, and I would hope that a definite statement would be made on the appointment of a new minister. Until such time, perhaps the Prime Minister can answer this question which I think is very important. Is a feasibility study now being undertaken, in the interests of the people of Canada, to determine the feasibility of conveying and transporting natural gas from the Arctic, taking into consideration the ecological problems of the north, which the Prime Minister is aware of, and the economics of the project having in mind Canada's need to be able to export various commodities?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of that question on behalf of the minister.

Mr. Woolliams: Mr. Speaker, I ask the Prime Minister whether, as head of the government, he will use his position to recommend the setting up of such a study at this time that is so necessary for the benefit of Canada and Canadians. I am asking whether he, as the head of the government, will do that, not the minister.

• (11:30 a.m.)

Mr. Trudeau: Mr. Speaker, the hon. member should know that we have at various times reported that some studies were made in this regard. The reason I said I would take notice of the question was that it was a bit involved and I am not quite sure whether the hon. member is suggesting that we study things we already are or some others.

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POST OFFICE

INTEGRATION OF URBAN TRANSPORTATION SERVICES—COMPLAINTS BY CERTAIN WESTERN CARRIERS ABOUT COMPENSATION

Hon. W. G. Dinsdale (Brandon-Souris): My question is for the Postmaster General. Has the Postmaster General replied to a letter from five western carriers outlining their complaints about inadequate compensation when

the Post Office takes over their businesses in 1972? If not, can the minister assure the House that a positive reply will be sent shortly in order to avert an unnecessary discruption of service at this time?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, as soon as I receive the letter, I shall answer it. However, I must remind the House that I have already said that we intended to be as fair as possible with the contractors, that we would give them a three-month notice and that we would purchase the equipment and trucks. However, we must also abide by the law as regards requests which they may submit to us concerning what they call "goodwill".

[*English*]

Mr. Dinsdale: Does the compensation contemplated by the minister include what is usually included in transactions of this kind, consideration for the good will of an ongoing business?

[*Translation*]

Mr. Côté (Longueuil): I have just answered, Mr. Speaker, that we must abide by the law concerning what they call "goodwill".

[*English*]

INTEGRATION OF URBAN TRANSPORTATION SERVICES—RETENTION OF WORKING CONDITIONS BY PRIVATE CARRIERS' EMPLOYEES

Mr. A. P. Gleave (Saskatoon-Biggar): I have a supplementary question for the Postmaster General. What steps are being taken to ensure that the employees of these contractors retain their same standard of living and the same seniority and wages they had before these contracts became subject to cancellation?

Mr. Knowles (Winnipeg North Centre): Or better.

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, all the contractors' permanent staff will be integrated into the Post Office Department. As for union employees, we are currently negotiating and discussing with them the terms of their integration, as well as the services and benefits which they will enjoy.

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[*English*]

IMMIGRATION

ILLEGAL MOVEMENT OF ALIENS FROM CANADA INTO UNITED STATES—LEGISLATION TO PREVENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to ask the Prime Minister about a matter we were pursuing yesterday. In light of the admissions by Canadian immigration officials and American immigration officials that weaknesses, difficulties and slackness in Canadian laws and regulations are contributing to large-scale smuggling of aliens into the United States, does the government intend to do anything about this either by changing the law or by changing the regulations?

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

Mr. Baldwin: Will the Prime Minister indicate whether this will be in the form of a statute or an amendment to a statute to be introduced in the next session?

Mr. Trudeau: We are giving that very serious thought, Mr. Speaker. We are looking at a memorandum for a new statute. I cannot say at this time whether it will be in that form, but we are looking at the question.

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HOUSING

POSSIBILITY OF RENT INCREASES IN 1972—GOVERNMENT POLICY AND ACTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I wish to direct a question to the momentarily displaced Minister of State for Urban Affairs. Will the minister advise whether the prediction of the Housing and Urban Development Association of Canada that rent increases for 1972 will vary between 5 per cent and 15 per cent is consistent with government predictions and government policy? In any case, can he advise whether the government intends to enter into discussions with the provinces to the end that these very high increases might be forestalled?

Hon. Robert K. Andras (Minister of State for Urban Affairs): Mr. Speaker, the statement made by Mr. Shipp, the president of the Housing and Urban Development Association of Canada, was made the other day. I have not had a chance to analyse the basis for his comments. We shall certainly do that. If indeed such increases are apparent which are not necessarily supported by our own studies at the moment, we will be very happy to sit down with the provinces to see what might be done. Essentially, though, it would primarily be the responsibility of the provinces to act.

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GRAIN

REQUEST FOR TABLING OF REPORT ON RATIONALIZATION OF HANDLING AND TRANSPORTATION

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): My question is for the minister responsible for the Canadian Wheat Board but in his absence I will direct it to the Minister of Agriculture. I am sure he can give us the information. Will the long-awaited report on studies into Canada's grain handling and transportation system by the grains group be released before the end of the year and, if not, when can we expect this report to be made public?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, that question has been asked a number of times in the House and the minister responsible for the Wheat Board has replied to it in the House.

Inquiries of the Ministry

AIR TRANSPORT

NORTHWEST TERRITORIES—LIMITATION OF PASSENGER SERVICE UNDER CLASS 4 LICENCES

Mr. Arnold Peters (Timiskaming): In view of representations made to the Prime Minister by persons in the Northwest Territories concerning the changes by the air transport committee of the Canadian Transport Commission limiting the passenger carrying service of class four licencees in the Mackenzie river area because of first and second class licences, will the minister consider holding up this order until hearings can be held in that area because of the dislocation that has taken place in both the Yukon and the Northwest Territories?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I can only assume that the question was directed to me. The hon. member did not indicate it was addressed to the Minister of Transport. I am not sure what my authority is in this regard. As of yesterday, however, I made some inquiries of the Canadian Transport Commission asking for a full explanation. If I can accommodate in the way suggested by the hon. member or in some other way, I will be pleased to consider it.

Mr. Peters: I apologize for not mentioning the minister, who is the genial answerer of questions on that side. Will the minister assure the House that he will hold up the application of this regulation at least until hearings can be held in the Northwest Territories?

Mr. Jamieson: I repeat, Mr. Speaker, I am not sure I have the authority to hold it up, but I am certainly disposed to do so or to ensure that there is no serious disruption of service.

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TRANSPORT

RAILWAY APPLICATIONS TO CLOSE STATIONS ON PRAIRIES—REQUEST THAT GOVERNMENT APPOINT COUNSEL TO OPPOSE

Right Hon. J. G. Diefenbaker (Prince Albert): My question is to the Minister of Transport. It has to do with preliminary meetings with representatives of the Canadian Transport Commission that are taking place in the Prairie provinces in connection with applications by the CNR and CPR for an almost wholesale closure of stations on the Prairies. Some meetings having taken place; there is a feeling from what has been said at these meetings that the transport commission may well be disposed to allow the applications. This would create a serious situation on the Prairies. Realizing that the minister has no power of direction over the Canadian Transport Commission, I ask him whether the government will appoint counsel on behalf of the government to argue against this wholesale closure and support closures restricted to a very few cases where there is no excuse for the continuance of the stations?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I will be glad to consider the representation, but the right hon. member should know, perhaps better than anyone in this House, that it is unwise to anticipate the chairman of the Canadian Transport Commission. I have no way of knowing what the recommendation is going to be, but I will be glad to take the matter under advisement.

Mr. Diefenbaker: Mr. Speaker, members of the opposition are in full agreement with the statement concerning the chairman of that board after our experience in the House of Commons with him. I am not trying to anticipate the eccentricities in which his mind will operate. I am suggesting that the government should consider appointing counsel on behalf of the government of Canada so the western Prairies will not become a series of ghost towns.

Mr. Jamieson: I repeat, Mr. Speaker, I will be glad to consider it and see if there is something I can do.

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AIRPORTS

TORONTO—DECISION ON SITE FOR NEW FACILITY

Mr. Stanley Haidasz (Parkdale): I wish to ask the Minister of Transport whether he will announce this year the site of a second airport for the greater Toronto region. If not, will he inform the House who or what is the cause of this indecision?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I was in conversation this morning with the Minister of Transport and Communications for the province of Ontario. As I have explained in the House on a number of occasions, the reason for the delay is the question of federal participation in the provision of some of the support services which may be required for such an airport. I have indicated in principle we are not opposed to this but that we have to make some determination as to the site before we can be more specific. I shall be meeting with the Ontario Minister of Transport and Communications on Wednesday night of next week, I believe. I hope we can make considerable progress at that time. I might emphasize that our conversations are amiable and we are both anxious to make progress as fast as possible.

* * *

• (11:40 a.m.)

TRADE

SUGGESTED NEW POLICY TO ASSIST MANUFACTURERS TO IMPROVE DOMESTIC AND FOREIGN SALES

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. It is based on representations made to the minister by the Canadian Manufacturers' Association. Since this important segment of our economy is seriously concerned that the methods employed by the government will not solve some of the problems of domestic sales and the penetration of foreign markets, can the minister tell us whether it is his intention, before the recess or early in the new year, to make a statement in the House defining some new and vigorous policy in which the manufacturers can have more confidence?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I do not think I can do that, Mr. Speaker, but when the hon. member returns to his office he will find there two news releases, one concerning an extension of the GAAP program, and one on a new feature of export market development which has to do with cost-sharing incentives for market identification and market assessment. So by a number of—I agree—limited supplementary moves, we are providing more and more support for Canadian industry and for Canadian exporters in particular. I expect to receive congratulations from the hon. member on these two moves.

Mr. Hees: A supplementary question—

Mr. Speaker: Order, please. This is the point at which I usually appeal for the co-operation of hon. members, not necessarily with the Chair but with one another, to try to limit supplementaries so as to allow as many hon. members as possible to ask their questions.

SUGGESTED INCREASE IN MISSIONS TO GREAT BRITAIN AND EUROPEAN ECONOMIC COMMUNITY

Hon. George Hees (Prince Edward-Hastings): As Canadian exports have increased over all by only 5 per cent this year, and as there has been a very sharp decline in our exports to the European Economic Community and to Great Britain, markets which should have been expanding—

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of asking a supplementary, not to make a speech, even though it might be a brief speech.

Mr. Hees: I was just filling in the minister, Mr. Speaker. Are the minister and the department planning to increase greatly the number of trade missions they will be sending to these important areas during the next 12 months to give Canadian exporters the best possible chance to increase exports to these important markets?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I think we have done very well in this regard, Mr. Speaker, although, of course, there is always room for improvement. In the last 12 months I have led missions to Germany, China, the Soviet Union and Algeria, and I am leaving tonight for Morocco. I expect to lead a mission to Japan in January. This just gives an idea of the number of missions we have sent abroad.

Some hon. Members: Hear, hear!

Some hon. Members: Supplementary!

Mr. Speaker: Order, please. I do not want the minister to miss the departure of his next trip. The hon. member for Vancouver-Kingsway.

Mr. Hees: May I ask a supplementary question?

Mr. Speaker: We are running short of time. The minister and the hon. member might continue their debate after the question period.

Mr. Broadbent: I hate to interrupt the minister's speech but I should like to ask him a supplementary.

Mr. Speaker: Order, please. The Chair refused a supplementary to the hon. member for Prince Edward-Hastings in order that we might pursue the asking of questions. The hon. member might wait a moment or so. I will come to him in due course. The Chair will recognize the hon. member for Vancouver-Kingsway. I am not sure whether she wishes to ask a question.

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FINANCE

SPECIAL DEVELOPMENT LOAN PROGRAM—PROVISION OF ADDITIONAL FUNDS TO ENABLE VANCOUVER AND VICTORIA TO PARTICIPATE

Mrs. Grace MacInnis (Vancouver-Kingsway): Thank you, Mr. Speaker. I will. I was about to say this was so sudden. I wanted to address a question to the Minister of Finance yesterday who is not here today, but his parliamentary secretary is present. In view of the fact that the total amount of British Columbia's share of the money available under the special development loan program was allocated before the cities of Vancouver and Victoria could put in their applications, and in view of the fact that these two cities have about two-fifths of all those unemployed in British Columbia, will the parliamentary secretary ask the minister to consider increasing the amount of the special development loan fund so that these and other municipalities can be included in the program? Will he also ask him to make a statement on the matter before Christmas?

Mr. Speaker: Order, please. I have the impression that this question has been asked previously. If not, it will be considered as a representation to the minister.

Mrs. MacInnis: I would point out that I addressed it before to the Minister of Manpower and Immigration but I learned subsequently that he was simply administering the money and that the pursestrings were held by the Minister of Finance. That is why I addressed my question to that ministry.

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GRAIN

EXPERIMENTAL MOVEMENT BY UNIT HOPPER CAR TRAIN—AVAILABILITY OF REPORT

Mr. Cliff Downey (Battle River): Mr. Speaker, I should like to address a question to the Minister of Transport. Will a report be made available to all members of the House and interested parties on all aspects of the experimental grain handling project which took place recently between an inland terminal and the port of Vancouver with a unit hopper car train? Will this report be available soon?

Hon. Donald C. Jamieson (Minister of Transport): I do not recall this particular experiment. I know that a number of experiments were carried out in connection with grain handling. I suspect they are part of the over-all study which is still going on. If there are data which we

can make available to the hon. member and to others, I will see what we can do.

STUDY OF OFFSHORE STORAGE AND CONTAINER TRANSPORTATION

Mr. Jack Murta (Lisgar): Does the government have any investigation under way into the merits of offshore storage of Canadian grain, or any study of the entire area of ocean transportation which would include container transportation of Canadian grain?

Hon. Donald C. Jamieson (Minister of Transport): I believe that every aspect of transportation and all new ideas that have come forward are being examined, but whether the specific ones mentioned by the hon. member, which appear to be forward-looking to say the least, have been considered is something I will have to check.

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TRADE

POSSIBLE ABANDONMENT BY UNITED STATES OF JOB DEVELOPMENT INCENTIVE CREDIT PROGRAM

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Since the Minister of Finance has said that one of the consequences of achieving an agreement on currency realignment will be that the Americans will abandon their job development incentive credit program, can the minister say whether the government has received a firm commitment on this point, or is it the case that the United States government has simply indicated that it might move in this direction?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): My understanding is that the elimination of the surcharge will carry the elimination of the discriminatory aspects of the job development tax credit, that is, the advantage given to U.S. producers under the "buy American" aspect of that incentive. That has been my understanding.

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[*Translation*]

AGRICULTURE

POSSIBLE EFFECTS OF UNITED STATES DISC PROGRAM—OPPORTUNITY TO AMEND FARM PRODUCTS MARKETING BILL

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, when I asked the Minister of Agriculture last Wednesday whether in preparing Bill C-176 the government had taken into consideration an almost similar bill which is to be implemented in the United States, he replied in the affirmative.

Did the minister mean by this that he would introduce certain amendments to Bill C-176 in order to provide appropriate instruments for controlling import and export of Canadian farm products?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Obviously Bill C-176 was prepared long before the United States bill to which the hon. member refers. When I said we had taken into account the laws of other countries and, indeed, our international commitments and treaties respecting trade, that was the case.

SPREAD OF RABIES AMONG DOMESTIC ANIMALS—PROVISION FOR MANDATORY SHOTS

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, my question is for the Minister of Agriculture. In view of the widespread concern about the spread of rabies among domestic animals, especially household pets and particularly in the province of Ontario, may I ask whether the federal government intends to make it mandatory that all such animals receive rabies shots?

• (11:50 a.m.)

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we are extremely concerned about the increase in the incidence of this disease. We have a joint program with Ontario with respect to controlling this disease. I shall certainly take the hon. member's suggestion into consideration and ascertain whether it can be helpful in bringing this disease under control.

FEEDER CATTLE—REQUEST FOR REPORT ON INVESTIGATION OF DEATH OF ANIMALS IN TRANSIT

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, my question is for the Minister of Agriculture. I asked it some time ago and he said he would make a report. It has to do with the heavy losses of cattle shipped from western Canada, and his parliamentary secretary said that if necessary a report on the cruelty to dumb animals would be made to the House.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have attempted to get some additional information about some of the carloads that were shipped from western to eastern Canada. In the over-all average there is not a great increase in losses, but there were particular incidents where there were long delays and travelling time about which we would like a further explanation. When we have that I will try to make it available to the hon. member.

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FISHERIES

1973 LAW OF THE SEA CONFERENCE—ADEQUATE REPRESENTATION OF INDUSTRY ON CANADIAN DELEGATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. Present plans call for a Law of the Sea conference to be held in Geneva, Switzerland, in 1973. In view of the importance of this conference to fishermen in Atlantic Canada, will the minister give his assurance that the Canadian fishing industry will be adequately represented not only at the 1973 conference but also at all preparatory meetings?

Hon. Jack Davis (Minister of Fisheries): Yes, Mr. Speaker. As the hon. member knows, we always make provision for representatives of the industry to accompany our delegations abroad.

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NATIONAL DEFENCE

ALLEGED BAN ON USE OF NEWS MATERIAL FROM PUBLIC SERVICE ALLIANCE BY EDITORS AT FORCES BASES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Can he shed some light on the directive from his department to Canadian Armed Forces base newspapers restricting them from using news emanating from the Public Service Alliance?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, it has been a longstanding practice in the Canadian Armed Forces orders and regulations that service newspapers not be used either for polemics or political controversy but exclusively to inform members of the armed forces. The decision was taken by the director general of information services of my department that this particular documentation, which was very polemical in nature, should not be included in station newspapers. I might indicate that the polemics in it were primarily directed against the Canadian news media. I did notice one particular omission, and that was that the gentleman who wrote it did not refer to the survey conducted on this subject by the hon. member.

Mr. Forrestall: Mr. Speaker, would the minister be prepared to admit that in 1971 members of the Canadian Armed Forces are intelligent enough—

Mr. Speaker: Order, please. I suggest to the hon. member that this is debate.

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OIL

PROPOSED TAPS TANKER ROUTE—POSSIBLE PUBLIC HEARING ON WEST COAST

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of the Environment. In view of the serious environmental threat to our west coast posed by the proposed oil tanker route from Valdez, Alaska, to Cherry Point in the state of Washington, is the government planning to hold a public hearing on the west coast on this very important issue?

Hon. Jack Davis (Minister of the Environment): Possibly, Mr. Speaker, but a number of studies are under way and until we have the results of these studies I doubt very much that a public hearing would provide all the information to the public that it should.

ENERGY

NATURAL GAS—POSSIBLE PRIORITY TO PANARCTIC OVER ALBERTA IN EXPORT TO UNITED STATES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In the matter of the export of natural gas to the United States, is it now government policy to give the Panarctic consortium priority over Alberta producers and to reserve for Alberta producers the eastern Canada market?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am surprised by these questions since they imply that the National Energy Board does not exist any more. The National Energy Board is there to make this kind of decision regarding the export of gas which is surplus to Canadian needs, so it really does not matter who gets it after that. The board decides what is surplus and can be exported. The decision is made and it is then compiled in a book which is distributed across Canada and which the hon. member can read. It is all very open.

In regard to studies of a pipeline from the north, a number of ministers have stated on a number of occasions that such studies, private and governmental were going on. The hon. member for Calgary North is aware that the National Energy Board has studied the matter of reserves in depth in recent weeks and has accordingly made a number of decisions.

Mr. Speaker: Order, please. We are running short of time.

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GRAIN

LIFT PROGRAM—DEADLINE FOR REPAYMENTS BY FARMERS—SUGGESTED INDEPENDENT REVIEW BOARD

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. I should like to ask him whether his department has set a deadline for repayments by some 4,500 farmers under the Lift program before they proceed with legal action, and has an independent review board been set up to study the cases of the farmers in question?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we already have guidelines in this regard, and we are obliged to attempt to collect any money paid out improperly under the law. Therefore we are going to try to collect any overpayments that were made which were at variance with the regulations. I do not think we need a board of inquiry. We will certainly be as lenient as we can but we also have to obey the law.

Mr. Korchinski: Has a deadline for collection been set?

Mr. Olson: Mr. Speaker, I do not think a deadline arises. When money is owing it is owing at that time.

Inquiries of the Ministry

TRANSPORT

TOBERMORY-SOUTH BAY MOUTH FERRY SERVICE—AGREEMENT WITH ONTARIO FOR IMPROVEMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a question for the Minister of Transport. In view of the continuing problem of traffic congestion and long waits on the Tobermory-South Bay Mouth motor car ferry service, can the minister say whether any agreement has been reached in the negotiations between the federal government and the government of the province of Ontario to improve this service?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, a firm offer has been made to the government of the province of Ontario with regard to this particular service. So far we have not received a reply.

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AGRICULTURE

MARIJUANA PRODUCTION BY GOVERNMENT

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I have a question for the Minister of Agriculture. Because of the fact that the government is at the present time producing marijuana on an experimental basis, may I ask the hon. gentleman whether this is being done in co-operation with commercial interests in an attempt to make it available as an economic agricultural crop?

Hon. H. A. Olson (Minister of Agriculture): The answer is no, Mr. Speaker. I am sure the hon. gentleman is aware that all of the marijuana that was grown was for the Department of National Health and Welfare for research purposes.

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ROYAL CANADIAN MOUNTED POLICE

DEATH OF INDIAN AT WILLIAMS LAKE ATTRIBUTED TO BEATING BY OFFICER

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Solicitor General. Has the minister met with our native people this morning regarding an incident at Williams Lake, B.C., involving the death of an Indian, which death is attributed to a beating administered by a Royal Canadian Mounted Police officer? Has the minister a statement to make in this regard?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Yes, Mr. Speaker, I met with this delegation and we discussed various matters, including the one mentioned by the hon. member. I shall study it immediately and see what is the usual practice in such cases and what I can do about it.

[*English*]

Mr. Alexander: During the investigation that will be carried on by the minister, is it the intention of the minister to relieve the officer involved from his duties until such time as the investigation has been completed?

[Mr. Olson.]

[*Translation*]

Mr. Goyer: Mr. Speaker, I shall see what has been done in similar cases. Offhand, I do not wish to commit myself as to whether or not we shall relieve those who took part in that incident.

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[*English*]

ENERGY

NATURAL GAS—STUDIES OF AMOUNT AVAILABLE IN ARCTIC

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is supplementary to that asked by the hon. member for Dauphin of the Minister of Industry, Trade and Commerce. It arises from the fact that two weeks ago today, the chairman of the National Energy Board appeared before the Miscellaneous Estimates Committee and said that his board had no way of estimating the amount of gas situated in the Arctic. I am wondering whether the government has in fact some studies in this regard because the answer given to the hon. member for Dauphin would indicate this information is all available.

• (12 noon)

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I meant to say that studies are now being conducted on the ecological and other aspects, and the Minister of Energy, Mines and Resources has reported fully on that a few months ago. I will find the page reference and give it to my hon. friend if he needs it. These studies are going on now. They will take the necessary number of years because the phenomena to be studied can only be observed over a period of time. Now, if someone wants to build a pipeline from the north through Canada he will have to have the authorization of the National Energy Board, and in order to obtain it he will have to demonstrate to the satisfaction of the Board that the gas is surplus to Canadian needs. It will also have to be demonstrated that the pipeline would not damage the Canadian ecology. This will have to be demonstrated to the National Energy Board. All this is very regular, very normal, according to plan, and according to the law.

* * *

TRADE

EXPORT DEVELOPMENT PROGRAM—POSSIBILITY OF UNITED STATES SUBSIDIARIES SHARING IN ASSISTANCE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is also addressed to the Minister of Industry, Trade and Commerce. In view of the announcement made yesterday by the minister to the effect that his department is increasing its contribution to the export market development program by $250,000 this fiscal year, and by a further $1.5 million in 1972-73, and in view of the fact that these grants will be used for the purpose of exploring foreign markets outside of the United States, would the minister inform the House whether or not this assistance will be available to United States-owned subsidiaries operating in Canada?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we do not discriminate in my department on these matters. Should we or should we not is a debatable point. We have taken the position that what we want is Canadian exports and Canadian industrial production, so we do not make a distinction in respect of who brings it about, "it" being in the interest of Canada.

INFLUENCE OF DISC PROGRAM ON EXPORT POLICY OF UNITED STATES SUBSIDIARIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary. In view of the fact that firms operating in the United States are now qualified for assistance under the DISC program and the job incentive program, assistance which will likely run into billions of dollars, would the minister give the House his reasons for believing that the newly announced subsidy, amounting to not quite $2 million, would influence the United States parent companies to shift their export strategy from United States plants to subsidiaries which operate in Canada?

Mr. Speaker: Order, please. The question is really one which invites debate. I do not think in those terms it is in order. I apologize to hon. members who have not yet had an opportunity to ask questions or supplementaries. We have now run out of time. I do not believe we should go too far beyond the time allotted to the question period this morning because of the allocation of time for the balance of this morning and this afternoon. Orders of the day.

Mr. Hees: Mr. Speaker, I have a point of order which affects every member of this House. I wanted to ask the Prime Minister about this but since the Prime Minister is not here I will ask the Acting Prime Minister. This morning the CBC started wheeling up a fantastic number of heavy trucks and equipment and setting up in order to film the end of the government's disgraceful performance in imposing closure.

Mr. Speaker: Order!

Mr. Hees: They have now been dispatched. We are interested in this and I want to know who is responsible for the despicable order to send them away so that the government's shame will not be seen by the people of Canada.

Mr. Speaker: Order!

Mr. Hees: You are ashamed of what you are doing and do not want the people of Canada to see it.

Mr. Speaker: Order!

GOVERNMENT ORDERS

INCOME TAX ACT

The House resumed, from Thursday, December 16, consideration of the motion of Mr. Benson for the third reading of Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, and the amendment thereto of Mr. McCleave (P. 10547).

Mr. Speaker: The Leader of the Opposition.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I regret that the Prime Minister (Mr. Trudeau) is not able to be present. I understand this is not possible in view of the meetings with Prime Minister Heath. I wish he were present because I would rather say some of the things I am going to say in his presence than in his absence. I think I should begin by thanking the Prime Minister for his graciousness in delivering his speech to the House of Commons yesterday.

Some hon. Members: Hear, hear!

Mr. Stanfield: I was looking forward to the experience with great pleasure, since the Prime Minister speaks to us so rarely. But I was disappointed because I expected the right hon. gentleman to do better than read some excerpts from old speeches by the Minister of Finance (Mr. Benson), with a little prologue on heavy water which seemed to have been written by the hon. member for St. Boniface (Mr. Guay). The Prime Minister dilated considerably on the length of time the tax reform process had taken and said the only thing that dragged on so slowly in the country in recent years was the heavy water plant at Glace Bay. Obviously, Sir, the goal of attaining a just society has disappeared completely from the Prime Minister's mind. I, too, regret the time and cost involved in the heavy water plant, but I regret particularly that the Prime Minister of Canada has added years of time and tens of millions of dollars to the cost of completing that plant by refusing, for purely partisan reasons, to enter into an arrangement with a Conservative premier of Nova Scotia similar to the arrangement he has now made with the Liberal premier of Nova Scotia.

Some hon. Members: Hear, hear!

Mr. Stanfield: Indeed, in order to find a comparably narrow, partisan behaviour on the part of a Canadian Prime Minister I think one would have to go back at least as far as Mackenzie King's famous "not one five-cent" speech. I regret, too, the length of time the tax reform process has taken. Not only do I regret the length of time, but also the completely inexcusable result of that process which we are now discussing. Both this monstrous bill and the behaviour of the government leading up to the presentation to this House of Bill C-259 are inexcusable.

Back in the fall of 1967 when I first entered this House I asked the then Minister of Finance, the now Secretary of State for External Affairs (Mr. Sharp), when we were going to receive the white paper on tax reform arising out of the report of the Carter Commission. He said a white paper would be presented near the beginning of 1968. He later made the same kind of statement to the then leader of the NDP in the House that this white paper would be presented as nearly as possible to the commencement of 1968. But, of course, nothing happened.

• (12:10 p.m.)

Then we had a change of ministers of finance, and instead of the white paper on tax reform we had what you

might call a mini tax reform package from the new Minister of Finance (Mr. Benson) involving in particular consideration of estate and gift taxation. The Minister of Finance started this process late in 1968 when he overhauled and greatly increased the gift and estate taxes. The proposals were made in the mini-budget in the fall of 1968. There was a tremendous row in the country, a tremendous unsettlement, particularly among the backbenchers of the Liberal party, and following the Christmas recess, during which Liberal backbenchers consulted with their constituents, the minister modified his proposals to some degree. Nevertheless, he pushed through complex and rigid gift and estate tax changes, and obviously he put these forward very earnestly as an important reform in the permanent tax laws of this country.

Bear in mind that these changes came about 18 months after the previous minister of finance had promised a white paper on tax reform, and they came less than a year prior to the white paper of the present Minister of Finance. These changes in gift and estate taxes were put forward and fought for very earnestly by the minister as very significant changes in the tax laws of this country. Now, some two years later, the same minister introduces a bill repealing all federal gift and estate taxes, doing away with all of what he put before the House two years previously and all that he had fought for in the House. In other words, all the trouble to which the Minister of Finance put the House and the country with his gift and estate tax changes early in 1969 were a complete waste of the time of the House and of the time of the country.

Some hon. Members: Hear, hear!

Mr. Stanfield: Yet, on the other side of the House they talk about the opposition wasting the time of the House. There you have a so-called mini tax reform which was completely abolished within two years—a complete waste of time. The Minister of Finance has been behaving like a whirling dervish.

Then, in the fall of 1969, nearly two years after the previous minister of finance had pledged the white paper on taxation, we get a white paper on so-called tax reform which was presented to us as one of the finest conceptions of the human mind, about the greatest document since Magna Carta, backed by a tremendous public relations effort. Pretty soon criticism developed.

Mr. Mahoney: This is an old speech.

Mr. Stanfield: I would not want to cut off the parliamentary secretary because his time to interrupt anyone in the House is exceedingly limited.

Some hon. Members: Hear, hear!

Mr. Stanfield: Criticism of the white paper on tax reform developed very quickly. The minister portrayed himself as the guardian of the common people fighting the big interests, and fighting for reform required for the ordinary people in Canada. In the main he defended his proposals for about a year and a half, and then he capitulated. I have never seen a capitulation to equal this one in this country. To whom did he capitulate? Did he capitulate to the big interests who he said originally criticized the white paper?

[Mr. Stanfield.]

Mr. Mahoney: No.

Mr. Stanfield: Was it to the big interests that he capitulated? It is very difficult to say. I would hope not. The extent of the folly of the white paper on tax reform and the long defence conducted by the Minister of Finance, the extent of the abandonment of the basic concept put forward as being the fundamental wisdom, the whole business about narrowly and widely held corporations, the whole concept of the integration of corporate income and taxpayers income, were all abandoned. They talk about the time taken. They put forward a white paper on tax reform nearly two years after it was promised. They fought for it across the country for a year and a half, and then they abandoned most of it. When the Minister of Finance retreated last spring from the white paper I do not think there were many people on the other side of the House who thought he would retreat into something like this massive bill which we all have on our desks. I think it was as nasty a shock to them as it was to anybody else when it appeared.

Some hon. Members: Hear, hear!

Mr. Stanfield: So, I say that the time taken down to last June when the government retreated, and when it introduced this bill, was time taken by the government, nearly four years of time, first by the delay in putting forward a program of reform, and then by putting out a white paper on reform which was most inappropriate to conditions in Canada and which was nothing more than a technocrat's dream to which the government expected the Canadian economy and the Canadian people to conform, rather than a reform appropriate to the priorities and complexities of Canadian economy and life.

When the minister retreated, the master minds on the other side of the House produced Bill C-259, another technocratic creation. Now, we are involved with a new monstrosity. I do not want to be too hard on the private members opposite because I am sure they had no idea that after they had succeeded—because I think they played a part along with the rest of us—in forcing the Minister of Finance to retreat from the white paper that this would be hung round their necks.

• (12:20 p.m.)

So far as the time taken is concerned, Mr. Speaker, we have had years of procrastination to start with, years of delay, followed by years of the white paper and the present bill, years which I would describe as years of folly on the part of the government, consuming untold energy so far as the Canadian people are concerned, creating continual uncertainty in the country, and doing terrible damage to the economy of Canada.

Some hon. Members: Hear, hear!

Mr. Stanfield: Pushing this bill through now cannot be justified in the name of tax reform. It is true the government took years to produce this bill. It is true we have discussed it for many weeks. But that it was ill-conceived is apparent from its very length and bulk, from its complexity, from the incomprehensibility of many of its parts. That the government did not know what it was doing is shown in the number of amendments that the government

has produced this fall since the bill was introduced. There were some amendments very recently, and some amendments which the government has now promised it will have to pass to meet already recognized serious defects in the bill.

What does the Minister of Finance say, Mr. Speaker? In effect he says, "We don't know how badly this bill will work until we try it out on the Canadian people."

Mr. Hees: And the Prime Minister (Mr. Trudeau) says fuddle duddle.

Mr. Stanfield: Mr. Speaker, so far as the subject of tax reform is concerned, the Minister of Finance has been jumping around ever since he became Minister of Finance. He has been jumping around like a flea, if you can imagine it.

Mr. Bell: A funny looking flea.

Mr. Stanfield: As an example, I refer to the great fuss he made back in 1968 and 1969 about reforming estate and gift taxation, and the tremendous importance he attached to those changes at that time. Now, he has scrapped all that. When this bill comes into operation—I say when, not if, because I think the government is obviously determined to bull it through—there will be no estate or gift taxation imposed by the government. There will be no federal gift taxation or estate taxation.

I know some people have the impression that the recipient of a gift is the recipient of a capital gain, but that is completely erroneous, Mr. Speaker. There will be no gift taxation imposed upon a donor or donee under this bill. And no doubt, Sir, there will be hundreds of millions of dollars in Canada transferred or given away in the early part of 1972 because it will be possible to do so without any federal taxation.

Mr. Hees: They are looking after their rich contributors.

Mr. Stanfield: Yet in 1969, it was vitally important to the Minister of Finance and his colleagues that gifts should be taxed. It was basic to the tax philosophy of the government. One has to ask the question, Sir, when were the Prime Minister and the Minister of Finance right, in 1968 and 1969 or in 1971? Were they right in proposing rigid, strict and complex tax laws with regard to gifts, putting this forward as a great tax reform two years ago, and now in what they describe as a great tax reform bill doing exactly the opposite, just within two years? When were they right, then or now? I say neither.

Clearly their behavior in putting forward this bill indicates they now think they were wrong in 1968 and 1969. And I think they are wrong in 1971. I doubt very much if any member on the other side of the House will rise to defend the taxation situation that will actually exist in 1972 with regard to gifts.

Mr. Lessard (Lac-Saint-Jean): We will.

Mr. Stanfield: Who has been wasting the time of the House and the country since 1969?

Mr. Hees: The Liberal party.

Mr. Stanfield: I just mention one example, the time taken by the government on estate and gift taxation. What about all the time spent on discussing the integration of corporate and shareholders' income, which the government has now completely abandoned? Again I ask, who has been wasting the time? But the saddest thing of all is not only that the government has wasted all this time but that we have wound up in the end with an abortion, if something the size of this bill could be called an abortion. If this bill passes this House today in its present form we will be making a pretty poor Christmas present to the Canadian people. It is the sort of package that not only won't look very good under the tree but it is liable to blow apart in the face of the person who opens it up.

The arguments have been gone over and over, Mr. Speaker, and there should be no need to repeat them today. There would not be any need if the government were willing to look at the situation with even a minimum amount of logic. I said it before, and I make no excuse for saying it here again because it is true, that most of this bill is incomprehensible, that much of it is irrelevant to the immediate problems facing the economy today; not only irrelevant but worse than that because when the bill comes into effect it will create a mountain of confusion in this country and in the economy of Canada, confusion this country can ill afford at this time. That is not the kind of present the government has any right to be giving to the Canadian people at the end of a session of Parliament.

Some hon. Members: Hear, hear!

Mr. Stanfield: Yesterday the Prime Minister said the bill was quite comprehensible to the taxpayers of Canada. If he were here, Sir, I would suggest to him: "Tell that to the tax experts, Buster."

Some hon. Members: Hear, hear!

Mr. Stanfield: Much of the bill is irrelevant, confusing and harmful. Indeed it is a sham. It is a sham because, after years of study, the Canadian people have a right to expect something that is tax reform rather than something that the government is calling tax reform. It is a sham because once the bill is passed the government will be able to make the claim that it has instituted tax reform when in fact it has done nothing of the kind. I say now, and I said before, that of course there are parts of the bill that are very welcome to everybody in this country. Basically, those are the parts which alleviate to some extent the burden on the lower income people of this country.

There are other provisions in the bill that deserve support, but you do not need this whole incomprehensible mess in order to achieve the things that are in the bill that are clearly of value. We have been willing and are still willing for the valuable aspects of this bill to go into effect immediately. It is a matter of simple justice and it would also add a stimulus to the economy. That is why I suggested splitting the bill for the purposes of proclaiming it and that is why I repeat that offer today. I am repeating it, Mr. Speaker. I think it is only sensible. When there are some points upon which there is agreement why not put them into effect? When there are other points on which even the government admits defects, and where even the government admits that changes have to be made, why not keep those points aside for future consideration and further

discussion? That is what the provinces request and it is the only sensible course in order to avoid a tax jungle in this country. It would seem to be the logical way to proceed.

• (12:30 p.m.)

I suggest that this tax legislation has one thing in common with a good bottle of wine—the longer it stays unopened the better it will be for all concerned. I think our suggestions is the logical way to proceed but I would hardly expect a government preoccupied with claiming political points to worry very much about logic or common sense. Beyond logical procedure, this government is not even concerned about the parliamentary procedure. After brutally stopping debate in this House, this government is now stepping on all the toes it can find to stop the debate in the other place before that debate has even started.

Mr. McGrath: Just like it is denying the people of Newfoundland.

Mr. Stanfield: That is what you call a really good dose of participatory democracy.

Mr. Hees: Just like their treatment of the poor, if you speak up you get your grants cut off.

An hon. Member: Who is making the speech?

An hon. Member: Let your leader speak, George. You will have your chance.

Mr. Stanfield: We are able to participate over here; it is a joint effort.

Some hon. Members: Hear, hear!

Mr. Hees: We are allowed to speak, we are not muzzled like you are.

Mr. Stanfield: It needs to be a joint effort over here when the government seems to be determined to walk on the face of everybody they can find. Consider the effrontery. It does not surprise me that the Minister of National Defence (Mr. Macdonald) would do this because it is his natural disposition, but consider the effrontery of the government when it presents the Senate with this tax bill, presumably later today—

Mr. Gibson: After two years with the people.

Mr. Stanfield: —and says it must go into effect on January 1. As I said, Mr. Speaker, the attitude of the Minister of National Defence does not surprise me at all, I would only be surprised if he were to take a different attitude.

Mr. Macdonald (Rosedale): Why don't you tell the truth?

Mr. Stanfield: I cannot think of anything more insulting to the other place, or of any effort by any government more designed to try to reduce the role of the other place to that of a farce.

An hon. Member: Poor old Paul Martin!

Mr. Whelan: Nobody in a non-elected body should ever tell an elected body what to do.

[Mr. Stanfield.]

Mr. Speaker: May we have order, please. The hon. Leader of the Opposition (Mr. Stanfield) has the floor.

Mr. Muir: Remember yesterday?

Mr. Stanfield: Mr. Speaker, if I were a Liberal Senator right now, which of course I am not and it is something I could never hope to be, I would be considering not my status in the party, I hope—

Mr. Hees: Because that is assured.

Mr. Stanfield: —I would be considering my reputation as a member of that institution, which has a record of some independence and should be particularly anxious to maintain it at this time.

Some hon. Members: Hear, hear!

Mr. Stanfield: Despite some of the comments opposite, this is not a question of a non-elected body trying to hold up the will of an elected body in this country, Mr. Speaker. This House has been prevented by closure from examining this bill fully.

Some hon. Members: Oh, oh!

Some hon. Members: Shame!

Mr. McGrath: Black Friday again.

Mr. Stanfield: It is sad, Mr. Speaker. There are many sad aspects of this whole thing and the saddest is the frustration of hon. gentlemen opposite.

Some hon. Members: Hear, hear!

Mr. Crouse: You sail your hydrofoil, Don.

Mr. Stanfield: I do not want the Minister of National Defence to get too excited. I have not seen him so excited since he was ramming rule 75C through the House.

Mr. Hees: Tell us about the hydrofoil, Don.

Mr. Stanfield: The only time I see any sign of vitality in the hon. gentleman is when he is trying to push somebody around.

Some hon. Members: Hear, hear!

An hon. Member: When he is trying to get his hydrofoil off the water.

Mr. Macdonald (Rosedale): Mr. Speaker—

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. Minister of National Defence on a point of order.

Mr. Macdonald (Rosedale): Mr. Speaker, on a point of order, I think that the Leader of the Opposition should be permitted to make his own speech without the intervention of his own members.

Mr. Stanfield: Mr. Speaker, when I feel that I need the support of the Minister of National Defence I think it will be time for me to leave this place—that is if he does not succeed in getting it closed down altogether in the meantime.

Mr. Muir: Better go and look after your uniforms, Don.

Mr. Stanfield: Mr. Speaker, the Senate does not have to run according to any strict timetable set by my hon. friends opposite. I hope it will not permit itself to be tied down to some political timetable that this government has prescribed. I hope it does not do that, Mr. Speaker.

Last Monday I explained why we were opposed to this bill and I will do so again.

Mr. Gibson: That is repetition. It does not do any good.

Mr. Speaker: Order.

An hon. Member: You would know all about repetition.

Mr. Hees: Please listen to Mr. Speaker.

Mr. Gibson: Make it perfectly clear.

Mr. McGrath: Don't get pushed aside by a mosquito.

Mr. Stanfield: I don't think it is fair to compare a mosquito to the hon. member.

Some hon. Members: Hear, hear!

Mr. Stanfield: Mr. Speaker, this is a bill which does nothing for the Canadian economy. I want to repeat, there are aspects of the bill that are desirable from every point of view, including stimulus to the economy, but the bulk of this bill does absolutely nothing for the Canadian economy.

Some hon. Members: Hear, hear!

Mr. Stanfield: It does nothing to help it. It is a bill that can adversely affect federal-provincial relations in this country. The two largest provinces in the country have asked for deferment, time to study, time to adjust and presumably time to make further representation after they succeed in understanding the bill. It is a bill that, in large measure, has been badly thought out and obviously badly drafted in view of the number of amendments that have been introduced, and badly presented. This bill, in the interest of the Canadian people, must be thought out again in large measure to ensure that it does not further damage the sense of initiative and the spirit of incentive upon which this country depends. We need tax reform in the interests of justice; we need it in the interests of economic progress; we need it in the interests of our national independence; and we certainly need to consider tax reform in the interests of ensuring full employment.

• (12:40 p.m.)

Again, I say, that is our No. 1 priority in this country. There are vast sections of this bill which not only do not help in the employment situation but which will discourage and militate against successful efforts to bring about full employment in this country. We may very well need tax reform in the interests of justice, independence and economic progress, but much of this bill, Sir, we just do not need. Above all we do not need and do not want a bill which will compound and increase confusion and uncertainty in this country.

That, in summary, is why I oppose this bill and that is why I support the amendment before the House at this time. I hope all other hon. members will do likewise, Mr. Speaker, and that even at the eleventh hour reasonable members on the government side will resist the despotic tendencies of the Minister of Finance and others in the government. I hope they will consider their position, accept the proposal, which is sensible, for splitting the bill for purposes of proclamation and thereby serve the country rather than trying to serve themselves.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am rising to participate on this last day of debate on the tax bill, partly because it is the last day and partly because of the number of issues of a parliamentary character that the Leader of the Opposition (Mr. Stanfield) raised in his speech. The government, to my knowledge, has never accused the opposition of wasting time, and neither has the country.

Some hon. Members: Oh, oh!

Mr. Schumacher: Then, what is the purpose of the government's motion?

Mr. MacEachen: Neither the government nor the country have accused the opposition of wasting time in discussing the all important question of tax reform. We, on this side of the House, believe that the passing of this bill will put an end to the uncertainty which bothers the Leader of the Opposition.

Mr. Dinsdale: What about the amendment?

Mr. MacEachen: We also believe that the passing of the bill will restore and produce greater equity in our taxing system, and that it will provide for greater growth and employment in the country.

Some hon. Members: Hear, hear!

Mr. Dinsdale: What about the amendments?

Mr. MacEachen: Speaking on the merits of the bill may I say that we, on this side of the House, are satisfied that we have produced the best possible product as a result of—

Some hon. Members: Oh, oh!

Mr. MacEachen: —the intensive investigation by the royal commission appointed by the right hon. member for Prince Albert (Mr. Diefenbaker), which was followed by investigation by parliamentary committees in this House and in the other place, the results of which are in this bill.

The Leader of the Opposition says to us, "Split the bill. We will pass those parts that are popular and put off the other parts, and some time later we may be able, as a party, to make up our minds about the other parts."

Mr. Ricard: That is nonsense.

Some hon. Members: Oh, oh!

Mr. MacEachen: I submit that the purpose of a further delay is merely to give the opposition an opportunity to reconcile its differences and to overcome the indecisiveness that has characterized the position of that party on tax reform. The Leader of the Opposition—

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): What about all the amendments the minister promised?

Mr. MacEachen: The Leader of the Opposition—

Mr. Lambert (Edmonton West): What about all the amendments?

Some hon. Members: Oh, oh!

Mr. MacEachen: Your Honour, I do not mind being "barracked" like this in the House. I have made it my policy, as a member of the House, to listen very carefully to every hon. member and I expect that courtesy to be extended to me occasionally. Every time I have risen in this House since this debate has commenced I have been "barracked" and shouted down by an opposition that talks about a free Parliament but that does everything possible to prevent this member from exercising his right to speak as a member of this House.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Hees: Come now; you are tougher than that.

Mr. MacEachen: I can take all you can give.

Mr. Hees: Well, you do not seem to be able to.

Mr. MacEachen: I should like to be heard and to put my thoughts on the record, and I cannot do it against noise. Nobody can in this House, and that is why I am all for letting everyone have his say.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We do not seem to be making much progress. The minister has the floor.

Mr. Alexander: Allan, don't lose your cool, baby. It is all right.

Mr. Hees: We will not bite you, Allan; keep going.

Mr. MacEachen: The Leader of the Opposition has stated that we, on this side, are not concerned about the parliamentary process. We believe that hon. members in the House have had plenty of opportunity to debate the tax bill. We believe that the long period of debate on second reading, the long period in committee of the whole and now, this further period for debate on third reading, have given members of the House ample opportunity to say everything that can properly be said on this particular subject. In the last ten days I have been trying to find out whether any new ideas or any new proposals would emerge from the debate, or if somebody would have a bright idea that had not been expressed before. If somebody can find a new idea or a new thought or a new proposal that has been expressed in the last ten days, please tell me what that idea, thought or proposal is—

Some hon. Members: Oh, oh!

Mr. MacEachen: —because every important idea, every important subject has been brought before the House and I doubt whether further discussion will help any member in making up his mind. We have been totally respectful of the parliamentary process.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The minister has the floor. I see an hon. member standing. Obviously, the minister sees him also. If he will permit the hon. member to ask a question, the Chair will recognize the hon. member. For the sake of the hon. member for Regina East (Mr. Burton), I will inquire whether the minister is prepared to receive a question at this time.

Mr. Alexander: The minister asked a question.

Mr. MacEachen: Mr. Speaker, perhaps the hon. member knows about rhetorical questions that one does not expect to be answered, at least not at the moment they are asked.

Some hon. Members: Oh, oh!

Mr. MacEachen: The Leader of the Opposition says—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I apologize to the minister who has the floor. The hon. member for Cape Breton-East Richmond rises on a point of order.

Some hon. Members: Oh, oh!

An hon. Member: Here is that original thought.

Mr. MacInnis: Mr. Speaker, my point of order is a simple one and merely requires the minister and members on his side of the House to do a little arithmetic. If the minister will consider the time allotted for the third reading debate of this bill and divide into that period the average time that an hon. member takes to make a speech, he will realize that not enough time has been allotted on third reading to enable all members to participate in the debate.

Mr. Speaker: Order, please. That is not a point of order. I suggest to hon. members that the minister should be allowed to continue making his speech.

• (12:50 p.m.)

Mr. MacInnis: I raised a point of order.

Mr. Speaker: Order, please. I have ruled the hon. member out of order. That is not a point of order, that is a point of debate.

Mr. MacInnis: I rise on another point of order, Mr. Speaker.

Mr. Speaker: If hon. members feel this is the way the debate should be conducted, I will recognize the hon. member for all the points of order he wants.

Mr. MacInnis: I raised the other point of order because the minister made a statement to the effect that all members had an opportunity to participate in third reading. That is not the case.

Mr. Speaker: The hon. member knows as well as I do that that is not a point of order. It is a point of debate. Hon. members who are trying to make a speech in the last

few minutes of this debate should have a chance to make their speeches.

Mr. MacEachen: Mr. Speaker, the Leader of the Opposition has stated that no member of the House understands the bill. When the hon. member for Regina East (Mr. Burton) spoke the other day, he took exception to that view expressed by the Leader of the Opposition, as I take exception to it. I believe it is an insulting comment to make about Members of Parliament who, gifted with ordinary intelligence, are capable of understanding and comprehending this bill.

The hon. member for Edmonton West (Mr. Lambert) spoke 40 times in major interventions in the House. The hon. member for Halifax-East Hants (Mr. McCleave) spoke about 18 times. The hon. member for Parry Sound-Muskoka (Mr. Aiken) spoke 12 or 14 times. To my knowledge, none of these members prefaced their comments by saying "Mr. Speaker, I wish to address the House, but take note that I do not understand what I am talking about."

Some hon. Members: Hear, hear!

Mr. MacEachen: They have been talking about this bill and making important contributions to the substance of the tax debate because they understand the bill all too well. They understand it because they have proposed amendments. The Leader of the Opposition understands it because he has decided that one part of the bill should go into law and the rest should be canned.

Some hon. Members: Hear, hear!

Mr. MacEachen: Is he telling us now "I really do not know what I want to postpone. I do not understand it, but give me a little more time and I may understand it."? We know that is really not a serious commentary to make on the progress of the debate. We know that hon. members understand the bill and that the issues are clear in principle and crisp. When confronted with issues about which hon. members are uncertain as to which way to go, they say "Let us put if off." The members of the New Democratic Party are not more intelligent than my hon. friends opposite.

Some hon. Members: Oh, oh!

Mr. Knowles (Winnipeg North Centre): Order, please.

Mr. Hees: That is the only correct thing you have said all day.

Mr. MacEachen: They do not want any more time. They are ready to vote. They will vote against the amendment proposed by the Leader of the Opposition because they know, as we know, that a decision ought to be taken now. The Leader of the Opposition said "Let's put it off because two provinces want it postponed."

Mr. Speaker: Order, please. I invite hon. members to use Parliamentary language. I am not referring to the minister who has the floor who seems to be worried about what I am saying. I will not pursue the matter further. Without referring to anyone in particular, I invite hon. members to not make these comments from the sidelines.

Mr. MacEachen: Mr. Speaker, I did not hear what any hon. member said. I rely on Your Honour to deal with any comments which are in any way unparliamentary. I did not hear them.

Mr. MacInnis: They were said before.

Mr. MacEachen: The Leader of the Opposition told us that the bill ought to be held off because two provinces want it to be held off.

Mr. Stanfield: Six.

Mr. MacEachen: All right, let's make it six. Will the hon. member now undertake to pass Bill C-176 because nine provinces want to have it passed?

Some hon. Members: Hear, hear!

Mr. Stanfield: No.

Mr. MacEachen: If that is the criterion to be applied to this legislation, we can get out of this session very fast because that group will pass Bill C-176 very fast since nine provinces want that bill and want it as agreed at the recent federal provincial conference.

The Leader of the Opposition stated that we are in some way denying the Senate an opportunity to discuss the whole question of tax reform, and that we have imposed upon the Senate some sort of political timetable. That is quite untrue and inaccurate. It has been dealt with in the other place by the government leader speaking to his colleagues in that place. When the white paper was produced in 1970, 60 meetings were held by the Standing Committee on Banking and Commerce in that place. Over 100 briefs were received. Following the receipt of well over 100 briefs, the Senate published its report.

Last September the tax bill in draft form was submitted to the Senate Standing Committee on Banking and Commerce. That committee has been seized of the very subject matter of tax reform in all its details since last September 14.

Mr. Speaker: Order, please. I have to interrupt the minister. It being one o'clock, I do now leave the Chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. MacEachen: Mr. Speaker, before the adjournment for lunch I was dealing with the question of the consideration of this tax bill in the other place.

The suggestion had been made, indeed, I believe, a charge had been made by the Leader of the Opposition, that the government had imposed a political timetable on the other place with its respect to the consideration of the bill. Of course, that suggestion is totally unjustified. As the leader of the government in the other place has stated, and as was stated by the Minister of Finance (Mr. Benson) when he appeared before the Banking and Commerce Committee of the other place, the Senate is the master of its own procedures, the master of its own rules and the

master of what it will do with respect to the tax bill which, hopefully, it will receive later this day.

Moreover, I think that in considering at this time what opportunity for the study of this measure has already been available in the other place, one has to remember that the Senate Committee on Banking and Commerce examined the white paper, held 60 meetings, six of them in camera, heard 118 briefs involving 471 witnesses and, in addition, received 225 briefs which were not read aloud and in respect of which witnesses were not called. But the Senate Committee did publish its report. We know that in September of this year the Committee on Banking, Trade and Commerce was authorized to study the summary of the 1971 tax reform legislation and the budget bills. This means that the substance of tax reform has been before that committee under extensive study. The committee began its deliberations on September 14 and the final report was presented by the chairman on December 13. Thirty briefs were presented and 139 witnesses were called, including the Minister of Finance.

This is an impressive record. The other place has been seized with the question of tax reform, the substance of the bill now before us, because it realized it would be a good thing to conduct a simultaneous study of the issue there while similar studies were proceeding in the House of Commons. So, I wonder why the Leader of the Opposition is weeping crocodile tears for the other place, defending the rights of the Senate. His reasons, whatever they are, are unknown to me. That body has already had a substantial opportunity to study all the issues involved in tax reform, and it will have a further opportunity when this bill has been given third reading here.

Mr. Baldwin: Under threat from the government.

Mr. MacEachen: Under no threat from the government! I deny categorically that the government has exercised any pressure whatever on the other place in terms of placing, as the Leader of the Opposition has said, a political timetable upon the Senate.

It was probably inevitable that at some time the Leader of the Opposition and I should tangle on the question of heavy water. Probably because of a self-denying ordinance, we have so far resisted that temptation. But I think today the Leader of the Opposition made some unjustified and, to my mind, vicious charges against the Prime Minister (Mr. Trudeau) which must be answered here and now.

Some hon. Members: Hear, hear!

Mr. MacEachen: I have observed the Leader of the Opposition for many years and I have a healthy respect for his ability to strike at the jugular. At times, even though he presents a reasonable exterior, there is within his soul a ruthless capacity in the political field. I have held this view when members of his own party were saying that this leader certainly had no real instinct for political in-fighting. Today, the Leader of the Opposition said the Prime Minister had offered to the Premier of Nova Scotia, Mr. Regan, assistance which he had denied to the previous premier of Nova Scotia, Mr. Smith, and that he had done so for political reasons. This was analogous in its political cruelty to a speech made many years ago by a former prime minister of this country. I say that the charge of the Leader of the Opposition is inaccurate, unjustified and vicious in the extreme.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): The hon. member for Cape Breton-East Richmond rises on a point of order.

Mr. MacInnis: I rise on a question of privilege with documentary evidence to support the statement made by my leader and to categorically deny the statement which has just been made by the President of the Privy Council. I have in my hand—

The Acting Speaker (Mr. Laniel): Order. I do not want the hon. member to open a debate on this point. If he has a point of order to raise, I invite him to raise it.

Mr. MacInnis: On that very point, Mr. Speaker, I continue to indicate to the House and to Your Honour that I now have in my hand a transcript concerning a program participated in by the Liberal House leader on October 11, 1970, to refresh his memory, with Dr. Stuart Marsh and Mr. Sandy Campbell of the *Cape Breton Highlander*—

Mr. MacEachen: I rise on a question of privilege.

An hon. Member: There is one before us now.

The Acting Speaker (Mr. Laniel): The hon. minister on a question of privilege.

Mr. MacEachen: The effort of hon. members on the other side is obvious. It is to prevent me from participating properly in this debate. The hon. member has no point of order. He is raising a dispute over the facts as a point of order and by doing so he is denying me one of the privileges I enjoy in the House, that is, of addressing the chamber at this time.

Some hon. Members: Hear, hear!

• (2:10 p.m.)

The Acting Speaker (Mr. Laniel): Order, please. I am sure hon. members will agree with me that the point made by the minister is valid, in the sense that if hon. members disagree or disapprove of remarks made by other members they should seek the floor and make their own speech. Unless the hon. member has a real point of privilege or point of order in the sense that either the rules of the House have not been abided by or that a substantial element of the speech of the minister constitutes more than just a disagreement and might adversely affect the House of Commons, the members of the House or civil servants, I do not think we should spend the time of the House listening to all kinds of disapproving comments that are not points of privilege or points of order.

Mr. MacInnis: On that point of order, Mr. Speaker, I now ask for the guidance of the Chair. I ask the Chair whether it is proper, when a point of order is being put forward by one hon. member, for a second member to get up and put forward another point of order.

The Acting Speaker (Mr. Laniel): If the hon. member wants an answer to that, to my mind points of privilege take precedence over points of order; and the minister raised a point of privilege.

Mr. MacInnis: On a further point of order, Mr. Speaker, I raised it as a point of privilege and, with the guidance of the Chair, moved to a point of order because the Chair had suggested that I raise it as such. If we are now back on a point of privilege I shall continue it as such, since you have indicated to me that I am permitted to continue my remarks.

Some hon. Members: No.

Mr. MacInnis: My point of privilege arises from the fact that I have a transcript of the minister's own words which support my leader and deny the statement the minister has just made. As further proof of that, on October 19, 1970 this House dealt with a bill that further denies the allegations made by the Liberal House leader in this very program on the eve of an election in Nova Scotia. If the Chair wishes to deny me this opportunity, there will be many other occasions for me to contradict the statement made by the House leader and to show he has told lies to this House.

Some hon. Members: Oh, oh!

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

Mr. MacInnis: He is lying to the House.

The Acting Speaker (Mr. Laniel): Order, please. First of all, I must say to the hon. member that I still feel his point is basically one of disagreement. It is impossible for the Chair to judge the situation on the affirmation of one member or another. The Chair is here to apply the rules of the House. In applying these rules, I think the hon. member should withdraw his last remark, unless he wants to substantiate them by a charge against the minister. This would involve the House as a whole. I do not think that Mr. Speaker or any occupant of the chair, in applying the rules of the House, can allow such language to be used in this House.

Mr. MacInnis: Mr. Speaker—

Some hon. Members: Sit down.

Mr. MacInnis: You suckers.

Some hon. Members: Oh, oh!

Mr. MacInnis: The Chair is now asking me to withdraw—

The Acting Speaker (Mr. Laniel): Order. Again the hon. member, for what reason I do not know, is making things very difficult for the Chair. As I have told hon. members many times, it is impossible for the Chair to apply the rules unless it has the co-operation of hon. members. Offensive language has never been tolerated in this House and has not been tolerated by its members. The hon. member for Cape Breton-East Richmond (Mr. MacInnis) should be the first to regret such remarks. I would invite him to withdraw what he has said.

Mr. MacInnis: In co-operation with the Chair, Mr. Speaker—I hope that one word will get me a bit of silence from the other side of the House—Your Honour did refer to my choice of language and said that the Chair and the members of the House do not permit such language and that it has never been allowed. I would draw your attention to page 392 of *Hansard* for October 20, 1970. I should like to quote as authority, both the Chair and hon. members opposite, the bottom of the second column where the following appears:

MR. TRUDEAU: —or is he just interested in telling lies to the House?

MR. SPEAKER: Order, please. The hon. member for Edmonton West.

MR. TRUDEAU: Is it a lie or not?

I stand on the same right as that accorded to the Prime Minister. If the Prime Minister yesterday was permitted to read every word of a speech and also permitted to use that kind of language, then so am I. The rules of the House which are applied by the Chair apply just as much to the Prime Minister as to the hon. member for Cape Breton-East Richmond.

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

Mr. MacInnis: The House leader of the Liberal party is now lying.

Some hon. Members: Oh, oh!

Mr. MacInnis: I have no intention of retracting my remarks in view of the precedent established by the party opposite.

The Acting Speaker (Mr. Laniel): Order, please. In occupying the Chair while the hon. member has the floor, I am not here to judge what happened in one particular case. I am here to apply the rules of the House, and that is my first duty. As I said before, I cannot do it without the co-operation of hon. members. If the members of the House or the hon. member for Cape Breton-East Richmond wants to destroy the institution which we all love and praise, that is his business; but I do not think he is helping the prestige of this institution by failing to agree with the Chair when the Chair tries to invite him to make his point clearly, and to do so in a way that is in accordance with the rules and Standing Orders of this House.

Mr. MacInnis: Again in co-operation with the Chair, Mr. Speaker, may I say just this. I have quoted *Hansard* for October 20, 1970 which reports the language the Prime Minister used on that occasion, and no point of order was raised at that time. Having said that, I leave it to the Chair, and I apologize to the Chair for the conduct of the members on the other side of the House.

Mr. MacEachen: Mr. Speaker, may I thank the hon. member for his apology. As I understand it, we are disputing facts. That is the purpose of debate in the House of Commons. The hon. member is entitled to dispute my facts, but at the same time I am entitled to put them on the record. I am not replying to any argument raised by the hon. member for Cape Breton-East Richmond—

Mr. MacInnis: You cannot.

Mr. MacEachen: —but I am replying to a statement made by the Leader of the Opposition this morning in which he said that the Prime Minister of this government had for political reasons accepted a request from Premier Regan of Nova Scotia having refused a similar request by

the former Conservative premier of the province. I regard that as a very serious charge, and I want to answer it.

On March 4, 1970 the Premier of Nova Scotia, who was then Premier Smith, put in final form to the government of Canada a definite proposal for assistance in the rehabilitation of the heavy water plant at Glace Bay. In that proposal there was absolutely no request to the government of Canada to take over ownership and operation of the plant. On April 10 the Prime Minister announced in the House the full acceptance of the request made by Premier Smith of Nova Scotia. Later on in the same month, when the matter was discussed in the provincial legislature, Premier Smith made the following statement:

• (2:20 p.m.)

Once more I wish to express warm appreciation and thanks for the assistance to be made available by the federal government. It will be a very substantial help indeed. I want to thank the Hon. A. J. MacEachen for his help in the matter. I know he spent a good deal of time and effort on behalf of the province.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I did for Premier Smith and the province of Nova Scotia on that occasion what I did later for Premier Regan. I supported the proposals which Premier Smith made to the government of Canada. They were accepted.

Some hon. Members: Hear, hear!

Mr. MacEachen: Later on there was an election in Nova Scotia. The new government considered the situation, abandoned the former plan and made an entirely new and fresh approach to the government of Canada, and we accepted that. We treated both governments fairly and equally, and it is vicious and untrue to say we treated Premier Smith differently or unfairly for political reasons.

Some hon. Members: Hear, hear!

Mr. MacEachen: Mr. Speaker, I was drawn into that detour because, as I said earlier, it is probably inevitable that the Leader of the Opposition and I should tangle on the question of heavy water. The occasion arose today. The next time he attempts to misinterpret the situation I will rise to answer him as I do now.

However, I want to get back to the amendment.

The amendment has been moved in all solemnity by the official opposition and today, in the final address made to the House by the Leader of the Opposition, he calls upon us to support that amendment. It is a motion of non-confidence in the government. If that amendment were carried we would be defeated and we do not intend to support that amendment. Not only would we be defeated, but the tax bill would probably be defeated. I want to tell the House why we cannot accept the amendment.

First of all, it is an incredible amendment. It belies any proper belief in the capacity of the opposition to formulate any reasonable proposition for the consideration of the House. For example, if this amendment were accepted, the provisions that we developed and which were approved in committee for the co-operatives and credit unions would not come into effect. Members of the official opposition have been crying to the government, and members of the NDP party have been crying to the government, to bring in new provisions. We did. We brought in good provisions which have been accepted by the co-operatives and credit unions. If this amendment were accepted,those provisions would be postponed until the government decided to proclaim them. Are they really serious? Were they really serious and are they serious now?

An hon. Member: No.

Mr. MacEachen: That is what I wonder about when I say that we cannot accept this amendment. The NDP Party knows the consequence of accepting this amendment. I said earlier they would probably vote against it because they had enough time for debate. I must revise that because they do not think this. They will vote against the substance of the amendment because, among other things, it would deny to the co-operatives and credit unions the immediate relief under the tax law of this country. If they vote for the amendment they will be voting against the tax relief for the co-operatives. They will be saying, put if off into limbo, put it off until we the official opposition can make up our minds on the real difficulties of tax reform.

When I look at the amendment I think it is a nothing, it is a sham. It is a sham because it pretends to do something it does not do. If we as a government said that we would accept the amendment as written, then we would accept it and the bill would pass as written. The bill would receive Royal Assent. This amendment gives the government the power to proclaim all the rest of the bill the day after it receives Royal Assent. That is the effect of the amendment. We would go through all this and then they give the government the power by proclamation the day after Royal Assent to bring all the bill into effect. What a sham. What a bankrupt opposition.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Waterloo.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, on a point of privilege—

Mr. Speaker: I apologize to the hon. member for Waterloo. The hon. member for Cape Breton-East Richmond wishes to rise on a question of privilege. Before the hon. member rises on his question of privilege, I think I ought to remind him and all hon. members that there is just a little more than an hour before the end of the debate. No representative of the New Democratic Party has had an opportunity to speak since yesterday afternoon, and there is also a representative of the independent party who has been wanting to speak for the last four or five days. I think we should give them a chance to speak. I believe the hon. member for Simcoe North is also waiting for an opportunity to speak. For the moment, however, I will recognize the hon. member for Cape Breton-East Richmond on a question of privilege.

Mr. MacInnis (Cape Breton-East Richmond): Mr. Speaker, at the outset, may I say I am very sorry that the fact that I rise on questions of privilege from time to time is denying other members an opportunity to take part in this debate. One would think from the remarks made from the other side of the House that all the time in the world had

been available. My question of privilege arises from the statement of the minister and the fact that the heavy water plant in my hometown is of great importance to the people in my constituency.

I want to show that the assistance available to the Smith government and later on to the Regan government was not the same. I have the transcript. The amount of the assistance was $40 million plus, but as the minister went on to say certain conditions were stipulated. The main one for my purpose at the moment is that the government of Nova Scotia would get a new operator, a new organization. He went on to say it was absolutely essential that a new organization be obtained to do this job. Yet, Mr. Speaker, you and I and the House are aware of the fact that on October 19, six days following the election in Nova Scotia, there was a plan before this House, a bill, which made available financial assistance to the same old organization.

Mr. Speaker: The Chair will now recognize the hon. member for Waterloo.

Mr. MacEachen: Mr. Speaker—

Mr. Speaker: I suggest to the minister that this is debate between members. The minister himself a moment ago expressed his view about debate between people who may have different opinions concerning certain situations. I really think we should give an opportunity to other members who have been waiting for this opportunity. The hon. member for Waterloo.

• (2:30 p.m.)

Mr. Max Saltsman (Waterloo): Mr. Speaker, the NDP will not be able to support the amendment before the House for two reasons. The first is that to the extent that it might be effective, and there is considerable doubt that it would be, it is a tremendous act of favouritism; second, it is probably not effective in the least, and therefore makes no sense and has no meaning in the examination of the bill before us.

The President of the Privy Council (Mr. MacEachen) seemed to have directed his chief attack against the official opposition and seemed to have looked at this corner with some degree of favour. I am sorry that we will not be able to reciprocate. This debate has taken on the aspect of an auction sale between the Liberal and the Conservative parties to see who can give this country away faster to big business. It has been a complete disgrace. If we were to examine the course of this debate, read the minutes of the committee—and those volumes make a pile almost three or four feet high—we would see how much attention has been devoted to the problems of the ordinary taxpayer in this country, and how many briefs have been presented to the committee that dealt with the ordinary taxpayers of Canada. There were not many such briefs. If you were to examine *Hansard*, and I have not had a chance to comb through each line because it would be such a tremendous task, you would see how many words by either the government or the official opposition have been devoted to the problems of the ordinary people in this country and how many speeches were directed toward the problems of big business in Canada. There is a smell of an election in the air, and both the Liberals and the Conservatives are falling over each other to see who can most please the bagmen of the giant industries who pay their expenses. I know I am being political, but I also know that this is a political arena.

An hon. Member: The unions are paying your way.

Mr. Saltsman: I am quite happy to have the unions pay our way. I am quite happy to receive whatever donations the unions wish to give to this party.

When I listened to the Prime Minister (Mr. Trudeau) yesterday delivering one of his rare speeches I noted that in three of his opening paragraphs he used the word "fair" at least six times in a desperate attempt to convince himself—he was not convincing anyone else—that the just society he talked about was being supported by this tax bill. In my view those words were hollow; they had no meaning whatsoever, and simply using the word "fair" does not make this bill fair at all. Essentially, we are continuing the same kind of tax system we have always had. The Liberal party does not need the Conservatives in to tell them of the dangers facing the country in trying to tax business. The Liberals have their own backbenchers who will do that. They have been running to the minister and making him back off from any such provision contained in the legislation. People in this country who have hoped for some significant tax reform cannot help but be disappointed with the bill that will come to a vote later on this day.

After nine years of study, reports and discussions, Canada has wound up with a tax system which is still grossly unfair and bears much too heavily on the lower and middle income groups. It does that, not because we have to tax these groups so heavily for government revenues but because we are giving benefits to many people, to the resource industries and to the investors of this country in order to make their lot in life much easier.

Last evening we heard the hon. member for Duvernay (Mr. Kierans) indicate the significant tax savings that could be effected, how rates could be lowered for the middle and lower income groups if special tax privileges were taken away from the mining and resource industries and the investors of Canada. To the extent that these benefits are being given to the privileged groups in Canada, every wage and salary earner must pay considerably more than the government is entitled to ask of him or her. We are continuing the system under the present legislation. The principles that the NDP endorses are ones of equity and redistribution of income. They have been watered down in successive reports, and in the Benson bill now before Parliament they have virtually been nullified.

I can well remember in the early stages the bold, brave Minister of Finance (Mr. Benson). I believed then, and I still believe today, that the Minister of Finance really wanted to see a genuine tax reform in this country. People often ask me, who do you think is the villain in the piece? It is fashionable to paint the pipe smoking Minister of Finance as the villain in the piece. He is the one who did away with tax reform. He is the one toward whom all ire has been directed. But I think that in the early days there was a real wish on the part of this man to bring in genuine tax reform, but there was no rapport between him and his party and pressures were continually being brought on

him within his own party. His own backbenchers were going across the country saying how terrible this tax reform bill was, how they were going to do something about it, assuring their business supporters "do not worry, we will get to Benson and we will make him back off". They did get to the Minister of Finance and he has backed off.

The initial reforms were not significant to begin with, and the continuous watering down of those reforms has left us with a meaningless document which does nothing to further the cause of equity and fairness in our society. We have the lightweight capital gains tax. This government takes great pride in having brought in the capital gains tax and now they are bringing in arguments to show how useful this tax will be. This is the last country in the industrialized world which does not have a capital gains tax, and now they are taking pride in having introduced it. It is only a half-gains tax. If a person gets his income from wages or salaries, if he works for his income in one way or another, he has to pay tax on every single cent that he earns. But if he has a lot of money, either left to him or available to him, money which he can invest, he is spared the cost of giving his share to the tax collector. He has to pay on only half of that money. We say, in effect, that it is far nobler to collect money that way and that therefore we will reward the man who obtains his income in that way. If he works for it one way or another, either in a white or a blue collar job, if he sweeps the floor in a factory or teaches university students, he pays tax on every cent he earns.

But if a man is an investor, then he does not have to pay the same rate of tax. If he is even more fortunate and happens to have invested in the oil or mining industries, then his rate of tax is even lower. We say to him, that is great; go ahead and put your money in these industries and we will give you a special tax break. Yet, evidence is mounting that these industries are responsible for destroying our potential for growth in this country. Whatever benefit they may have brought, whatever justification there might have been for tax concessions in the early stages of the development of Canada—and I will not argue that there were no benefits from them and that there were no reasons for encouraging this kind of investment—there is no longer such justification.

We are a nation of 22 million people who desperately need to find jobs for almost 300,000 new entrants a year into our labour force, and we cannot find them if the emphasis continues to be on resource development. It would be bad enough if the tax system were completely neutral and we were still heavily emphasizing resource development. But to have a high level of unemployment, such as we have now, and to see young people coming into the labour force for the first time seeking jobs, and in the face of this to encourage the resource industries by tax concessions is positively insane. One wonders how any government could have brought in provisions of this kind, or could have failed to see the merit in reducing such benefits to the resource industries.

• (2:40 p.m.)

It can be argued that while the national interest would call for a diminution of encouragement to resource development, there are some provinces that need such development. This is a good argument. It is one I accept. But we have two choices. We can either say, "We are going to do this in the national interest regardless of the consequences to individual provinces," or say something that would be more fair, namely, that to the extent that any province is disadvantaged as a result of our taking action in the national interest, we will see to it that the revenues of the country are shared equally.

In that event, we would change our tax sharing agreements between the federal government and the provincial governments. We would secure the increase in manufacturing that we think needs to occur, and the increase in the service industries that we think needs to occur in order to provide jobs for our young people, and distribute the resultant increase in tax revenues all across the land so that there would not be a feeling of dissatisfaction. The people in the west would no longer see the actions taken as being only for the benefit of Ontario. We would have to make the case that they were for the benefit of the entire nation. Those are the kinds of tax sharing agreements that we should have. Unfortunately, we do not have them at the moment. The sell-out to the resource industry lobby is particularly shocking at this time because, Mr. Speaker, in the first place the government did not intend to do very much. The result is that the resource industries are almost back to enjoying the advantages they had at the beginning.

I can remember when estate tax legislation was discussed in the House of Commons. Today I listened to the Leader of the Opposition (Mr. Stanfield), a man for whom I have a great deal of respect, and I wondered at his rather short memory of that debate. But maybe I just did not understand the hon. gentleman. It seemed to me as though he was deploring the fact that the federal government had dropped its role in estate taxation. That sounded a little strange. I know that many of the people in the Conservative party were quite happy to see the federal government get out of the field of estate taxation. I also know they will be happy to see the provinces get out of that field. But then I heard that the Leader of the Opposition is far more progressive than some of his followers. That is something I can understand. However, we should not forget that debate and the vigorous fight put up by the Conservative party against any increases or adjustments in estate taxes.

It is foolish to stand up in this House and cry over the fact that the federal government is getting out of the estate tax field. I think it is wrong for the federal government to get out of that field, and in an earlier speech I said that the decision to do so was made in an absent-minded fit of pique. The federal government was not deriving much revenue from that tax, and it got mad at the provinces. It asked, "Why should we collect this for the provinces? Let them stew in their own juices. Let them collect their own estate taxes." This will have an adverse effect on federal-provincial co-operation. This shattered egg will have to be restored in a new form. As other hon. members have pointed out, there will be a tremendous transfer of wealth take place when this legislation comes into effect.

Tax relief for old age pensioners and the immediate removal of some taxpayers from the rolls are a long-overdue recognition by the government that it should stop robbing the poor. This relief will do little more than par-

tially compensate those taxpayers for their losses through inflation in recent years. The other day my distinguished colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), made a fine contribution to this tax debate when he pointed out that the increase in exemptions was not even equivalent to the rise in inflation that has taken place since the last time the exemption levels were set.

Not only does the outcome of this tax debate leave us with a most unsatisfactory income and wealth tax structure, but nothing has been done to end the regressiveness of our tax system. Greater recognition of the financial requirements of the provinces, which are facing the growing costs of urbanization, educational and social needs, should have been a first step in any kind of tax reform. Almost nothing has been done in that area.

I would like to make another point about the taxation of resources. When the federal government abdicates its role to tax new resource industries at the same level as it taxes manufacturing, it must be remembered that the resource industries are not completely exempted from tax. The situation is not quite as it appears on the surface because resource industries do pay tax, although perhaps not as much as they should. The question then must be asked, to whom should they pay this tax? Should it be to the federal government which has a redistribution program which in fact takes wealth from some of the richer provinces and makes it available to the poorer provinces? Should it be to the provinces, under a tax system which permits the wealthier provinces to keep the bulk of the wealth for themselves? To the extent that the federal government abdicates its role to tax resource industries, it provides an opportunity for provincial governments to move in and take the lion's share of this tax wealth, which is not distributed but is used by the individual provinces concerned. This is a way for the richer provinces to avoid the responsibility that they have to the poorer provinces. Sharing does not take place to the extent that it should.

We have been very critical throughout this whole debate, and we think we have had good cause to be critical. But in summing up at the close of the debate, we do not want to leave simply the criticism. We also made many constructive proposals. We made many suggestions as to the shape that the country's tax system should have. I would like to summarize our views on the kind of tax system we would like for Canada.

First, we think a comprehensive income concept has to be adopted, with all forms of economic gain to be included and subjected to a graduated scale of income tax based on ability to pay. There has to be an elimination of the traditional double standard in our system. Taxes should be based on a person's ability to pay rather than on how he derives his income. We see no justification for saying that this kind of income will be taxed at one rate, another kind of income at another rate, and that a third kind of income will receive special preferential treatment. That is unfair. We accept the Carter Commission proposal that all income be taxed on the same basis.

Second, capital gains should be taxed at full rates, rather than at the half rates proposed in the bill, on realization, in the same way as salaries, wages and other forms of income, with adequate provision for averaging, exemptions for the family home and farm home, and safeguards to prevent the break-up of family farms and small businesses when passed on to sons and daughters. We look around this country, which has been more than generous in its tax system and tax treatment to business, and we see the results of that kind of favouritism. This country has the highest level of foreign ownership of any country in the world and, to a large extent, the tax system is to blame for that. The absence of a capital gains tax in Canada has encouraged our business men to sell out rather than operate their business because they could make a profit on which they paid no tax, but if they continued to operate they would have to pay tax.

• (2:50 p.m.)

We have offered a 20 per cent dividend tax credit to investors in the vain hope that these financial incentives would encourage Canadian ownership but that has failed. The pace of foreign acquisition is the greatest in the world.

Mr. Woolliams: It is an awfully good idea.

Mr. Saltsman: You like foreign investment?

Mr. Woolliams: You would recommend a full capital gains tax, yet you are against foreign investment. You cannot have it both ways. You cannot take all the capital gains from Canadians, and then cry about foreign investment; that is the anomaly.

Mr. Speaker: Order, please. The hon. member is making a speech while remaining seated. That is not in accordance with the Standing Orders or any kind of order.

Mr. Woolliams: I am sorry, Mr. Speaker. I got involved in a little argument.

Mr. Saltsman: I am glad to see that the hon. member was paying attention to the debate, although I might say he was not paying much attention to the economy as the peculiar logic he has expressed demonstrates.

We in the New Democratic Party, Mr. Speaker, also believe there should be a system of tax credits instead of exemptions, because exemptions provide better benefits to those with higher incomes while tax credit makes it easier to maintain equity when making tax changes.

As a fourth point, we believe in the removal of unjustified tax concessions for natural resource industries, especially concessions relating to depletion allowances.

As a fifth point, we want to see strict limits on corporation capital cost allowances, advertising, entertainment and convention expenses. Some might argue that this is what the government is attempting but there is no real indication that they have made any substantial advance in curbing the excessive costs, despite the new legislation.

As a sixth point, we want to see the removal of the dividend tax credit, since it mainly benefits upper income groups and is not necessarily an incentive to growth. Abolition of the much abused dual rate, but adoption of other provisions to assist small businesses in obtaining credit, is desirable.

Throughout debate we have tried to make the point that there should be substantial assistance to small businesses trying to get established. We need more businesses, more entrepreneurship in Canada and that assistance should be forthcoming. We do not believe the way to do it is to

reward businesses after they have made money, which is what the present tax system does; we believe it should be done through incentives and encouragement when those businesses need help the most. The present system is a "give away" program rather than a real assistance to business, and we think it is the wrong kind of incentive and works against the idea of assisting genuine small businesses which are trying to grow.

As a seventh point, we believe the same treatment for employment expenses should be allowed for wage and salary earners as is now allowed for the self-employed, plus tax credits for the cost of child care. The government proposes a $150 employment expense deduction. That is unsatisfactory, since in a few cases it might be too much but in most cases it is inadequate. Many employees incur expenses in excess of this amount. There are many special cases and extraordinary expenses which will not be met by this provision. When we contract that with the generous provisions for the self-employed who are allowed to deduct all the costs, we find the system grossly unfair.

The argument put forth by the government is not an objection to the principle of equity. They agree that the system is inequitable. They accept the argument that the treatment of the self-employed is much better than the treatment of employees, and that something should be done about it, but they offer the argument of administrative efficiency. They say that since there are many more employees than self-employed, it is not practical to examine the tax returns of every employee to permit them to include legitimate expenses. That is a spurious argument, Mr. Speaker, and surely a disgrace to any tax system. To say that it cannot be done because it is not easy or is not convenient will not be accepted by those persons being harmed under the system. Either we have a tax system which provides that everyone will be limited to a certain amount or we have a tax system which accepts legitimate employment expenses incurred by both the self-employed and employees, and we examine their tax returns to that end. Other countries do this, so surely it is not beyond the administrative ability of the Canadian government to work some kind of equity into our tax system.

As an eighth point, we think inheritances and gifts should be subject to a tax levy which would be paid by the recipient, not by the donor, to ensure that the state receives a fair share when transfers between generations occur. Particular arrangements would be made to prevent undue hardship when family farms or small businesses are transferred from parents to children. It does not seem that much argument can be made against an inheritance tax in our society. If a man's individual efforts were responsible for the creation of growth without any assistance from society, his employees or any of the other organizations that exist, there might be an argument against inheritance tax on the wealth to be passed on. But we know this is untrue; in our civilized society people cannot operate without assistance from each other. Business today is probably the largest recipient of benefits from the government. There are many programs for assistance and there is the provision of fire and police services, of roads and transportation networks, so there is a social input. Land does not increase in value simply because it sits there; it increases in value because of the social conditions which contribute to the growth of a country. For those reasons, I think that the government of a country has a claim on part of the wealth that is created. I do not think there should be too much objection, if that claim is a fair one, if some of it is paid to the government and the other people in the country, upon death.

Mr. Speaker, nine years ago many of us looked forward to seeing genuine tax reform and the events of the last couple of years have been a grave disappointment. We had hoped that the Carter commission, with its superb logic, its well documented cases, would have some influence on the minds of those in government. It has had little or no influence at all.

• (3:00 p.m.)

The thrust of the debate in this House was not to the effect that the government was being far too timid in implementing tax reform. The thrust was in the opposition direction. It was suggested that the government was being far too progressive. Committees like the Committee on Fair Taxation spent enormous sums of money trying to persuade the ordinary people of Canada that the new tax system would be too socialistic. The business community rose as a group and attacked the modicum of tax reform there is in the bill and said that the bill is too socialistic. Unfortunately, between elections, the ordinary people are not organized to make representations on this subject. It is our hope that at the next election they will cast their judgments and thereby say that this tax bill constitutes a sabotage of tax reform.

Mr. Speaker: Order, please. As hon. members will observe, three of our colleagues seek the floor and there are perhaps 40 minutes left for debate pursuant to the order under which we operate at the present time. The Chair has taken the liberty to put into operation this afternoon rule 75D which is a new rule. After consultation, there has been agreement to divide the time available among a minister, a spokesman for the official opposition and an independent member. For the time being the Chair will recognize the Minister of National Revenue (Mr. Gray). I might say that these spokesmen will speak under an allocation of time determined by the Chair. The time will be watched closely.

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, may I begin by saying that points of the kind just made by the hon. member for Waterloo (Mr. Saltsman) have been previously raised and, I think, effectively rebutted by other speakers on behalf of the government earlier in the debate. None of his arguments can remove the fact that the government's proposals will bring about lower taxes for millions of Canadians, particularly those in the lower income groups. Therefore, these proposals deserve the support of the House at this time. Mr. Speaker, now that Parliament appears to be moving closer to the point of final decision on tax reform legislation, I think that the House would expect me to say something—

Some hon. Members: Hear, hear!

An hon. Member: Say something.

Mr. Gray: —about the way the Department of National Revenue will approach the task of its administration of

the new law when it receives final parliamentary approval and royal assent.

Any task of administration, Mr. Speaker, is, of course, governed by the provisions of the law in question. But it is unrealistic to expect that tax laws, both those which have been on the statute books for years and, more particularly, new laws such as we are considering now can be drafted so perfectly that there is no room for differing interpretations of them in some circumstances. Despite the best of intentions, it is inevitable that there are ambiguities to be resolved in the interpretation of laws of this kind. Therefore, in deciding upon an official interpretation the Department of National Revenue is guided by legal advisers and by considerations of reasonableness and practicality.

However, where two interpretations seem to have equal support, having regard to equity, reasonableness, statutory interpretation and the general intent of the legislation as a whole, the interpretation is adopted which gives the benefit of the doubt to the taxpayer. This is already the department's policy under the present law. I want to assure the House that this will certainly be the policy of the department when it starts applying the many new provisions contained in the bill which is presently before us, once, of course, it receives final parliamentary approval.

The underlying philosophy of the taxation division of the department, as hon. members know, has been evolving over the past several years to take account of increased taxpayer interest and participation in the process of tax administration. The main thrust of these changes has been in the direction of the most complete possible dissemination of taxation information to all taxpayers and the establishment of better communications between taxpayer and the department. When it adopted this approach the department knew it would likely be faced with the job of administering a new tax statute.

We recognized, of course, that in spite of efforts not to have them, inevitably there would be problems in adjusting to a new tax system, both for the taxpayer and the tax administrator. We have therefore been trying to anticipate what the major problems might be and to plan our administrative practices with a view to minimizing any possible difficulties for the taxpayer and the department.

The department acknowledges the inherent right of the taxpayer to all the information and all the assistance that it can give him. As well, it realizes that if its administrative mechanism is in any way high-handed, it is only adding to the problems of administration. The department cannot expect a taxpayer to accord it the co-operation it requires to maintain the efficiency and integrity of our voluntary compliance system if it does not extend the fullest co-operation to him. The department, therefore, intends to make a very special effort to ensure that the needs of the taxpayer under the new tax system are met fully and sympathetically. Therefore, I would like to describe to the House some of the steps we will be taking to assist taxpayers in the adjustment period to try to achieve as smooth a transition as possible from the old to the proposed new tax system.

While there are other measures which I shall describe later in my remarks, let me speak first about the public information program on the new law the department will begin to administer once the law receives royal assent. The department will be centering this public information program around a series of pamphlets covering the various topics of tax reform. In our view, this is the most effective way to handle material of this complexity. These printed publications are being written in as simple language as possible and in a form which is concise and to the point.

To lessen the possibility of confusion, the department has developed a selective mailing system so that most taxpayers will receive only the information they will want and require. Groups of taxpayers have been selected from our computer master file and direct mail packages containing topics affecting each group will be mailed, using computer-generated address labels. These publications will also be advertised nationally as being available from our head office or any of our 28 district taxation offices. The advertising messages will serve those taxpayers who for whatever reason are not on the tax roll, those who may mislay the publications they receive through the mail and those who cannot be selected as a distinct group.

In summary, what the department is endeavouring to do is give each taxpayer in every walk of life sufficient printed information in understandable terms so that he will be able to be aware of the changes brought about by the new law. What the department is trying to avoid is the flooding of the taxpayer's mail with information that he would not likely consider to be relevant and useful to him.

I would like to give the House more details of this publication program. Eleven pamphlets have been planned, each dealing with a different subject, and there will be additions to the list if the need arises. These subjects are: Highlights for individuals, Valuation Day, Child Care Expenses, Moving Expenses, Capital Gains, Partnerships, Rental Income and Undeveloped Land, Goodwill and Similar Assets, the Professions-Income Calculation, Basic Herds, and Corporate Tax Guide.

I have referred to the groups of taxpayers which will be selected from the computer master file. The groups are: married women, businessmen, professionals, farmers, rental property owners, corporations, and all other individuals. Each of these groups, some of which of course will overlap, will receive a package of pamphlets of direct interest, although some of the printed publications such as Valuation Day and Highlights for Individuals will go to most groups.

I will not take the time of the House to describe all the publications in detail, but it may be of interest to hon. members if I give some explanation of two of the pamphlets that I have mentioned, Highlights for Individuals, and Valuation Day. The Valuation Day pamphlet will attempt to achieve two purposes. First, it will point out in simple language that most people will not be affected by Valuation Day, and others may or may not be affected initially. This message will be prominently displayed on the first page. Taxpayers who are affected will be invited to read on, to find out what action they should take. As the publication will make clear, such action will be in their interest, and the bulk of the text will be used to explain this.

The pamphlet entitled Highlights for Individuals will outline all major changes that may affect the individual taxpayer. In addition, the taxpayer will be informed as to whether any immediate action is required on his part. If so, he will be directed by the text to one of the specialized pamphlets to which I referred earlier in my remarks.

Mr. Alexander: It sounds easy.

• (3:10 p.m.)

Mr. Gray: If not, the text will inform him that further information on how to file will be forwarded with his return and guide when it becomes necessary and he will be informed this will not be necessary until filing time in the early part of 1973.

Hon. members will have observed that in referring to pamphlet titles I have not mentioned a number of subjects of tax reform. In most instances, these are subjects that are of interest to a minority of taxpayers. We have planned to treat those subjects by the issuance of information circulars which will go on our regular mailing list and be available in our district offices, rather than publish separate pamphlets which would be required in comparatively small numbers. The department has tried to anticipate all the requirements for printed information. But, as I indicated earlier, the situation will be watched closely and if it appears other subjects should be dealt with by specialized pamphlets, resources will be available to act immediately.

We believe the distribution of these publications will serve to answer the vast majority of questions that will occur to taxpayers. At the same time, we realize that we can never anticipate all the questions and problems that may arise. As an additional means of providing increased assistance to taxpayers during the early stages of implementation of the new law, we are establishing a new informal consultation service.

I have mentioned that the taxation component of the Department of National Revenue has 28 district offices across Canada. We have one of the most highly decentralized departments of government, with 85 per cent of our taxation employees situated in the district offices to provide direct service to the public. Each district office now maintains an inquiry service. Taxpayers may inquire at the counter, telephone or write for information. Last year, for instance, these offices dealt with more than two million such inquiries. With the advent of tax reform, this service is being expanded and improved.

Taxpayers may visit, telephone or write their own district office for information. In most instances our regular information staff, augmented as the need arises, will be able to answer questions arising out of the new law. But some taxpayers will have difficult problems dealing, for instance, with a complex business operation. These taxpayers will be referred by the regular information staff to our informal consultation service which will be staffed by officers in each district office with special training and who will be particularly well informed about the new legislation. These expert advisers, in turn, will be in ready touch by telephone with a central group of experts in head office. As soon as an answer can be provided by this informal consultation service, the taxpayer will be contacted by telephone or by the quickest possible means. In this way we will be able to provide a relatively fast answering service for difficult problems, consistent with a proper consideration of them by knowledgeable taxation employees.

This advice will not be binding on the department but will merely be the best opinion that can be given without the detailed documentation that would be required for a binding advance income tax ruling. The aim is to provide the best quick service that we can. I referred earlier to efforts of the department to establish better lines of communication with the taxpayer so as to remove as far as possible the uncertainty as to his position under the law. One of several steps in that direction was the inauguration of an advance ruling system under which the department provides rulings binding on the department as long as the relevant law remains unchanged.

When I spoke to the Tax Foundation in Vancouver a few weeks ago I said it had been incorrectly reported in the press that the department will not give binding advance rulings under the proposed new law once it came into effect. Let me again confirm that these reports were not correct. The department will continue to give these rulings once the new law goes into effect, subject only to the same limitations and qualifications as in the past.

I know that many taxpayers are relying on the availability of this service to assist them in removing uncertainties. I have therefore directed that every effort must be made to expand the staff of the department's rulings division. This is being done in an endeavour to meet the concern about the degree of delay in the issuing of rulings that may be caused by the volume and complexity of the requests for them. The rulings division staff will be augmented with experienced officers from the district taxation offices and other branches at head office on a loan basis as well as by the recruitment of some additional personnel on a permanent basis. By these means there will be an expansion of about 50 per cent in the number of experienced accountants engaged in this work. As a result, we now anticipate that advance income tax rulings will be obtainable under the proposed new law, once it receives royal assent, within approximately the same span of time that they have been obtained under the present law.

It is certainly incumbent on the tax administrator to offer every assistance to taxpayers, especially when the laws are revised or new measures are introduced. I want to repeat that the department is most anxious to help taxpayers in every walk of life to become familiar with the new law in the form it is passed by Parliament. As a further means of trying to be helpful, the department is planning a series of special briefings in convenient locations across the country.

Some professional organizations have already held seminars on tax reform and others will be holding tax conferences in the months ahead. These meetings and the information disseminated by these organizations are of great assistance to their members. But there are other taxpayers and tax practitioners in relatively small practices who do not have such means of acquainting themselves with the new law. For the benefit of these taxpayers and for private practitioners or consultants who help them prepare their returns but who feel they are not able to get adequate information through professional organi-

zations, we are proposing to hold special tax reform briefings in various communities. Videotape recordings and other such aids will be used at these briefings to explain the new law, and taxation officers will be in attendance to answer questions.

We propose to hold these briefings after the 1972 filing season has ended, that is, from next May on. Prior to that time taxpayers will be concerned primarily with filing under the present law and practitioners will be similarly engaged.

Whenever Parliament amends the Income Tax Act it is necessary to establish a definite starting date for the new or revised provisions in the law.

Mr. Deputy Speaker: Order, please. I regret to interrupt the minister, but it is my duty to do so. As His Honour mentioned earlier today, under the new Standing Order there is an informal arrangement that I know all hon. members will want to follow.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, with the limited time at my disposal I will try to cover some of the points I want to make. The speech of the President of the Privy Council (Mr. MacEachen) is what we expect from this particular member, certainly from a coastal constituency: it is filled with red herrings.

Some hon. Members: Hear, hear!

Mr. Rynard: Some have been answered by my colleagues, but the remarks dealing with the amendment are the reddest and most odorous of all.

We have used a simple device on third reading to send the bill back to committee of the whole to review the proposal for splitting the bill, a proposal which has received universal approval from all over this land, from people in business, farming, industry and the press. Only the Liberals have rejected it. We do not seek to bind the hands of the committee as to the exact means of division. But our views are known and accepted. What we want is a division on lines acceptable to the country.

Some hon. Members: Hear, hear!

Mr. Rynard: I believe one of the saddest spectacles I have seen in this Parliament was the night the tax reform bill of the Minister of Finance (Mr. Benson) was passed in the House, 75 clauses, with less than one-quarter of the book of 735 pages reviewed. It required over 135 amendments to deal with corrections to this one-quarter that was reviewed. On the same basis, it would require well over 400 amendments to correct the whole of the bill.

A complex and complicated bill that even the tax accountants and tax lawyers could not understand was passed in a period of 3½ hours. The Members of Parliament were robots, forced to bow to a majority government run by a modern dictatorship. The hysteria of the cockpit was nothing compared with Parliament that night.

Some hon. Members: Hear, hear!

Mr. Rynard: The government argued as its reason for bringing in closure that over 40 days were taken up with discussion and that was long enough. Mr. Speaker, what has that to do with it? The bill should be properly analysed on the floor of this House until it has been understood and until all of it has been reviewed.

• (3:20 p.m.)

One might accept the government's premise if the bill had been the usual short one, containing a few pages, but this was a 737-page document which required 137 amendments in a quarter of its length. To show the complexity of this legislation I am tabling an article by Marshall, Russell and White that bears this point out. Surely, the point has been entirely missed. Whether it required 10 days or 100 days for consideration is irrelevant. What matters is that it should be adequately discussed. In fact, the House and the committee of the whole made progress with reasonable speed by comparison with the time taken to consider other bills.

In any case, the government could have agreed to divide this long, ponderous bill, separating the non-contentious areas which were easily understood. But they flatly refused to do this. The government alone must accept responsibility for the fact that almost three-quarters of the measure has been forced through the House by closure. This was done despite the pleas of the Senate committee and the various other groups and institutions which counselled against approving parts of the legislation, and the wishes of the five Premiers who urged the government not to proceed with it. Incidentally, two of these Premiers represent the provinces of Ontario and Quebec which between them contain 75 per cent of the population of Canada. Perhaps the only analogy we have is the Domesday Bill put through by William the Conqueror almost 900 years ago.

In defence of these proposals, the Prime Minister (Mr. Trudeau) made one of his infrequent speeches in this chamber during which he referred to the million people he was taking off the tax rolls. Mr. Speaker, those people should have been taken off long ago. Inflation, set off by this government, has proceeded at such a pace that the government was obliged to take this action. They had been asked over and over again by the opposition to do so, but they refused to act until they had no choice. This section could have been passed two months ago, three months ago, six months ago or two years ago. But the government did nothing about it. Now they put this little sugar pill in with all these other provisions. It is bitter aloes, though, because it should have come much sooner. They should have done this three years ago.

Members opposite claim that the press are behind them. They say their actions are supported by editorial writers. I wish to read from the *Globe and Mail,* Canada's national newspaper, which had this to say:

> What the government is saying to all of us is this: swallow what we hand you whether you understand it or not, or we'll use closure to make you swallow it. How bad this will be with the tax bill we cannot know till it hits us. But if the government employs the same tactics with the Competition Act and with legislation to control foreign and even Canadian investment, then both the economy that supports us and the freedoms we enjoy could be at grave risk. What has been proposed would deny many rights to individuals and could plunge us into depression. But if we ask for time to argue the points, the government can slap on closure and make us, in a very real sense, its prisoners.
>
> What we are fighting is not any longer the tax bill—bad as it may be—but this arrogant use of closure to shut Parliament and people out of the running of their own affairs.

Mr. Woolliams: Right.

Mr. Rynard: Now, Mr. Speaker, just to set the record straight, may I remind the House that as reported in *Hansard* at page 2162 on March 26, 1962, my right hon. friend from Prince Albert (Mr. Diefenbaker) introduced a motion to do away with closure. He had this to say:

All of us agree that full and free debate is necessary in the parliamentary system, the examination without restraint of the programs and policies advanced not only by the government but by those in the opposition who would provide an alternative government. In the process of national decision-making the role of Parliament is pre-eminent and vital. I believe, in the light of the experience of the past, that the principle of closure need no longer be accepted under our system—

We in Parliament have a duty to preserve the freedom of debate because our freedom, the freedom of parliament, is essential to the freedom of the people we represent. When we have rules that confine or limit our freedom in debate we are permitting rules that also limit freedom in Canada outside Parliament as well.

Then he went on to refer to a statement by Mr. Ernest Lapointe:

It is the will of Parliament, not that of the government, that is the will of the nation.

If the hon. member for Calgary South (Mr. Mahoney) has anything to say, let him get up and say it and not keep talking from his seat, as is a habit of his. Now I wish to read what Mr. Mackenzie King had to say on the same subject:

I want to make it perfectly clear that the battle which has been put up in connection with this measure is not merely over the rights of minorities or the rights of majorities; it is true that it has to do with the rights of both, rights which in the case of the majority no less than in that of the minority, are threatened.

Next I wish to read what Mr. Pickersgill had to say. He was one of the prominent members of this House. He learned his lesson, and this ought to be required reading for all members on the other side:

I believe that no government in its senses would ever again use the existing closure rule in our book. I therefore do not see any sense in leaving it there.

Mr. Mahoney: Did you buy that?

Mr. Rynard: I shall now put on record what the Winnipeg *Tribune* has to say about contempt for Parliament.

In the 1969 summer session, the Trudeau government delivered a one-two sneak punch to freedom of debate in the House of Commons. The government invoked closure to choke off debate on a bill that gave it even more drastic powers of closure—the notorious Bill 75c.

At the time Donald Macdonald, the Liberal House leader, contended that 75c would never be used to limit debate to the minimum allowed on a major bill. Today the Trudeau government is using 75c to choke off discussion of its 707-page tax bill before the first 200 pages of the measure have been given clause-by-clause scrutiny.

So much for assurances by autocrats that they will never use autocratic powers. And so much for Ron Basford's soothing assurances that the harsh provisions of his Competition Act will not be invoked.

During the 1969 debate, Prime Minister Trudeau made it clear that he regarded MPs on opposition benches as a bunch of nobodies. He made the smart-alec comment that the IQ of the Commons rose every time an opposition MP left the chamber. He showed his disdain for parliamentary process then, as he is showing it now, by ramming through tax legislation that will vitally affect every citizen and business firm in the country.

[Mr. Rynard.]

Even government spokesmen admit they do not understand all the ramifications of the bill. They even admit that the bill probably contains errors and mistakes. They are still making amendments to it. But Mr. Benson is so determined to get the measure on the statute books before the end of the year that the rights of both Parliament and ordinary citizens are being ridden over roughshod—

In any event, what is now unfolding in Ottawa is systematic contempt for Parliament.

While we are talking about the use of power, I would remind hon. members that Senator Gratton O'Leary spoke in the other place about the disturbing growth of the power of the Prime Minister, adding that the Prime Minister of Canada had more power than even the President of the United States whose actions were controlled by a system of checks and balances and who held office for a dated four-year term. Yes, the government of Canada is neither the House of Commons nor the cabinet: it is the million-dollar plus establishment of the Prime Minister and the office of the Privy Council. These are the ones who are gradually usurping the power of Parliament.

Why continue to have a Parliament, except as the heritage for which people have fought and died so that they might enjoy a system of government in which their voices be heard? The voice of the people will rise again to haunt this dictatorial government. The men in power who stride today across the field of politics are like passing shadows in the night—they come, they go. As Edmund Burke said in the British House of Commons on February 7, 1771: "The greater the power, the more dangerous the abuse." And as Lord Acton said in his "Essays on Freedom and Power": "All power tends to corrupt, and absolute power corrupts absolutely." We are seeing an example here today. I repeat, let us hope the voice of the people will be heard again after the next election and that once again the freedom of the people will be restored to Parliament.

• (3:30 p.m.)

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I am happy to have a few minutes to express my views on the bill before the House, a bill of the utmost importance. We have reached the end of our many discussions on the bill, and in view of my status I feel I should explain the stand I must take on it.

Mr. Speaker, allow me to note the discussions we have held on the importance of this bill. It all began with a white paper. I thought such action was wise at the time, and I still think it was timely. That statement of policy allowed the people to analyse the importance of the bill. Obviously, since the white paper was published, several needed changes have been made to the proposed tax policy. I should like to point out especially the contribution of the opposition parties and the government to the changes made, if we go back to the early stages of the bill, that is to say the white paper.

I take the liberty of congratulating the opposition parties. They have often raised some valid points. I especially want to congratulate the Leader of the Opposition (Mr. Stanfield) who made a tour of the country to sensitize the people. It was a brilliant idea and the trip of the Leader of the Opposition had some good consequences, since several organizations and provincial governments made after-

wards representations to the federal government which realized the importance of some proposed changes. It has therefore decided, as a result of valid points which had been raised, to propose some one hundred amendments.

We would surely be tempted to charge the government with taking a backward step because it has proposed those amendments. I would like, in all objectivity, to congratulate the government for having realized that it was necessary to make the changes proposed by the opposition parties as well as by responsible organizations in the interests of Canadians.

I would like also to recognize the fact that the minister and the government have shown a certain open-mindedness when they accepted the amendments aimed at improving the bill. It is obvious, of course, that this bill is not perfect. We must, however, in all objectivity, recognize the merits of several sections of this bill, as well as the advantages that it contains.

It can still be improved. The minister has even admitted to the House that in the light of experience, he expected to bring forward some amendments, and I hope that he will stick by his intention to make the required changes.

I would also like to express my appreciation concerning the discussions which dealt with the co-operative movement and the caisses populaires. The necessary amendments have been introduced and passed.

I am happy about the representations made in favour of such institutions by many hon. members and many organizations. I am especially happy to see that the government has felt the need to restore to the co-operative movement the particular character that it is necessary for it to have in order to attain its objectives.

I would have hoped that the basic exemptions would be much more than $1,500 and $2,850. In present circumstances, that is obviously insufficient. There is a fairly important improvement, but, as no change had been made in this area in the past 20 years, I feel that the basic exemptions are not high enough, and I hope that the government will seriously consider raising them further in the fairly near future, a move that would be completely justified, especially in the case of certain classes of wage-earners.

I would have hoped also that serious consideration would be given to a special tax allowing for the establishment of an old age security program for people 60 and over. I know that this would require large amounts of money, but as the government has the responsibility to create a proper social climate, it should not hesitate, I think, to develop a tax policy taking into account the establishment of a special tax so that pensioners 60 and over could enjoy a sufficient income. This, in my opinion, would surely constitute another step toward a more just society.

I do hope that within the next few months the government will seriously look into this matter.

I would also like to refer to the speech made last night by the hon. member for Duvernay (Mr. Kierans). I would have hoped, of course, that the government would give much more consideration to the comments of the hon. member for Duvernay. I think this is the best speech I have ever heard in the House regarding tax reform.

I believe the hon. member for Duvernay got to the sore spots of our economy and offered advice to which the government should give notice. His words should be considered not only by hon. members but also by the government.

I would like to comment a particular paragraph of his speech that reads as follows:

> —a nation's natural resources are not past-production; they are the wealth of its soil and waterways. As such, they cannot be viewed in the same light as current production, as goods and services that we produce each year. Those goods can legitimately be disposed of at will by the people who produce them currently in any given year. Resources are a trust. They have been received from the past. They are to be husbanded by the present generation and they are to be passed on to future generations. A generation that deliberately squanders a nation's natural wealth—I emphasize "deliberately squanders"—to enhance its own standard of living will have much to answer for.

I wish the government would carefully study the hon. member's speech , a speech that could be of direct interest to Canadians. I continue the quotation:

> Ten years ago a group of men were named to draft for Canada a fair and just taxation policy that would emphasize growth, employment and stability in the economy. I do not think the task is over. All I want to do is remind the Canadian people and the Canadian government . . . that after ten years that task it not over. This task has to be begun again. I sincerely believe this government can put together all of the elements of an economic policy that will give us growth and employment. In any event, I certainly hope so.

At any rate, it is obvious that the government respects the views of the hon. member for Duvernay and I believe his speech certainly deserves consideration by the government.

In conclusion, I should like to add that there has been much complaint about the motion of closure. I am among those who believe in limiting debates but I feel it is wrong to wait until third reading to limit the debates. It is difficult for parties to come to an agreement in the heat of debate.

Mr. Speaker, the present system may not compell us to commit blunders, but it permits them to exist. I trust we shall apply corrective measures to it, that will enable us to plan a legislative program before each session, so that all hon. members may be aware of the time allowed for debates.

During the forty days given to the consideration of the bill in committee of the whole, hon. members could have been more practical in the discussions. We would have progressed more than we did during the consideration of the bill in committee of the whole, since we were expecting the time of debate to be unlimited.

The government must do some planning; Parliament must plan its business. I believe in limiting debates, provided the limit is established at the beginning of each session, so that we may know how much time we will be allowed to discuss such or such a bill.

Such planning is necessary and once those changes are made we will not have to discuss the implementation of the closure rule which, in certain circumstances, may be fair.

I regret that, at the third reading stage, the debate lasted only four days. In view of the importance of this bill it is obvious that third reading required more time and I think

Division

that perhaps we over did it in committee of the whole. I am convinced that the adoption of a legislative program including a limit on debates would make hon. members more objective to the benefit of the Canadian people.

Mr. Speaker, I will vote for the bill even though it is causing deep concern to the public at large. If I refer to the speech of the member for Duvernay, such concern is well known. However, the bill will have beneficial effects for a category of Canadians. I wish to say I am in favor of this tax reform. Even though it is not perfect it is providing some profitable changes for Canadians.

• (3:40 p.m.)

[*English*]

Mr. Deputy Speaker: Order, please. It being 3.45 p.m., under the provisions of Standing Order 75C and pursuant to order made Tuesday, December 14, 1971, it is my duty to interrupt the proceedings and put forthwith and successively every question necessary in order to dispose of third reading and pass each stage of the bill now before the House.

The first question is on the amendment to the main motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. McCleave) which was negatived on the following division:

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Beaudoin
Bell
Cadieu
Carter
Coates
Code
Crouse
Danforth
Diefenbaker
Dinsdale
Downey
Fairweather
Flemming
Forrestall
Fortin
Grills
Gundlock
Harkness
Hees
Hellyer
Howe
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Edmonton West)
Laprise
Latulippe
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacKay
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Matte
Monteith
Muir
Murta
Nesbitt
Nowlan
Peddle
Ricard
Ritchie
Rodrigue
Rondeau
Rynard
Schumacher
Scott
Southam
Stanfield
Stewart (Marquette)
Thompson (Red Deer)
Woolliams
Yewchuk—62.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barnett
Barrett
Basford
Béchard
Beer
Benson
Blackburn
Blair
Blouin
Borrie
Boulanger
Breau
Broadbent
Buchanan
Burton
Caccia
Cafik
Cantin
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Douglas
Drury
Dubé
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gibson
Gilbert
Gillespie
Gleave
Goode
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Harding
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Kierans
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo
Mather
Morison
Munro
Murphy
Nystrom
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pelletier
Penner
Pepin
Perrault
Peters
Portelance
Pringle
Prud'homme
Reid
Richard

Messrs:

Richardson
Roberts
Robinson
Rochon
Rock
Rose
Rowland
Roy (Timmins)
Roy (Laval)
Saltsman
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomson (Battleford-Kindersley)
Tolmie
Trudeau
Trudel
Turner (London-East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting
Winch
Yanakis
Yanakis—152.

• (4:00 p.m.)

Mr. Speaker: I declare the amendment lost.

The next question is as follows:

Mr. Benson, seconded by Mr. Laing (Vancouver South), moved that Bill C-259, to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act, be now read the third time and do pass.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: I gather it is the wish of hon. members that we call the vote without ringing the bells. Is this agreed?

Some hon. Members: Agreed.

The House divided on the main motion (Mr. Benson) which was agreed to on the following division:

YEAS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Forest
Forget
Foster
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Hymmen
Isabelle
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Lajoie
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Langelier)

Division

Messrs:

Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
O'Connell
Olson
Orange
Osler
Otto
Ouellet
Pelletier
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whiting
Yanakis—132.

NAYS

Messrs:

Alexander
Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Coates
Code
Crouse
Danforth
Diefenbaker
Dinsdale
Douglas
Downey
Fairweather
Flemming
Forrestall
Fortin
Gilbert
Gleave
Grills
Gundlock
Harding
Harkness
Hees
Hellyer
Howe
Kierans
Knight
Knowles (Winnipeg North Centre)

Messrs:

Knowles (Norfolk-Haldimand)	Murta
Korchinski	Nesbitt
Lambert (Edmonton West)	Nowlan
Laprise	Nystrom
Latulippe	Peddle
Lundrigan	Peters
MacDonald (Egmont)	Ricard
MacInnis (Cape Breton-East Richmond)	Ritchie
MacInnis (Mrs.)	Rodrigue
MacKay	Rondeau
MacLean	Rose
Macquarrie	Rowland
MacRae	Rynard
McCleave	Saltsman
McCutcheon	Schumacher
McGrath	Scott
McIntosh	Southam
McKinley	Stanfield
Marshall	Stewart (Marquette)
Mather	Thompson (Red Deer)
Matte	Thomson (Battleford-Kindersley)
Monteith	Winch
Muir	Woolliams
	Yewchuk—83.

• (4:10 p.m.)

Mr. Speaker: I declare the motion carried.

Motion agreed to and bill read the third time and passed.

Mr. Baldwin: Mr. Speaker, with regard to the balance of this day, because of the late hour and the tragic circumstances of this Parliament—

Some hon. Members: Oh, oh!

Mr. Baldwin: —I would suggest we not proceed with private members' hour.

An hon. Member: No.

Mr. Speaker: The suggestion has been made that we do not proceed with private members' hour. The hon. parliamentary secretary.

Mr. Jerome: Mr. Speaker, rather than abandon the hour, especially in this atmosphere, I understand that two members have bills which would propose to change the names of constituencies. Also, two members who spoke yesterday on the Bank of Canada bill are very anxious to continue debate until five o'clock.

Mr. Speaker: The House will now proceed to the consideration of private members' business as listed in today's order paper, namely, notices of motions, public bills and private bills.

PRIVATE MEMBERS' MOTIONS

HOUSE OF COMMONS

SUGGESTED IMPROVEMENTS TO COMMITTEES SYSTEM

The House resumed, from Friday, November 19, consideration of the motion of Mr. Rowland:

[Mr. Speaker.]

That, in the opinion of this House, there should be further improvements made in the operation of the committee system in order to enhance the influence of the House of Commons upon the policy-making process and in order to reduce the information gap between private members and cabinet ministers and to that end that the following subject-matters be referred to the Standing Committee on Procedure and Organization for the purpose of study and the making of recommendations (a) the possibility of establishing a means whereby committees could take the initiative in recommending to the House matters which should be referred to them by the House; (b) adequate staff support for committees; (c) the advisability of making it mandatory for each committee to prepare at the end of each session a running record of recommendations it has made to the government and government action taken on its recommendations; (d) making it mandatory for a motion of concurrence to be moved in connection with all committee reports and discovering a means by which debate on such motions could be kept to a reasonable level, specifically the possibility of increasing the number of assigned days, the increase in number to be allocated to the discussion of committee reports, the reports to be considered to be determined by opposition parties; (e) making it possible for minority reports to be tabled together with majority reports from committees; (f) allowing standing committees to be constituted as committees of inquiry.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, first of all I should like to say that I was here when the motion was first presented by the hon. member for Selkirk (Mr. Rowland). I completely agree with the motion to have the whole committee system reviewed. I want to take only a few minutes to present one or two points because I feel the motion should be brought to a conclusion before five o'clock.

The hon. member for Selkirk came to this House after 1968 and I suspect he has suffered some of the frustations of hon. members like myself and others who came in at that time. We have been active in committees since 1968. In the first year I remember the fisheries committee, for example, sitting for weeks on end discussing various pieces of legislation and the estimates. The members were desirous of clarifying the legislation and having people come before the committee to present their points of view. It has been a frustrating experience because over the last couple of years members have found that the committee system is being treated as an appendage to the House of Commons, with matters being dominated by the party in power to the extent that it becomes a useless exercise.

In the regional economic affairs committee and the fisheries committee we have often worked for weeks on a piece of legislation, only to find out that members who were in no way involved came before the committee and were used as a task force or a special force to get the legislation through without amendment. We found, no matter how much work we had done in connection with amendments and how much research had gone into them, the government was unwilling to accept any changes of substance.

• (4:20 p.m.)

I remember the Parliamentary Secretary to the President of the Privy Council (Mr. Jerome) presenting the point of view here that because under our parliamentary system it is necessary for the House to have confidence in the government, and because the will of the government is expressed in the committees, the committees have become an echo of the House of Commons and it is necessary for that confidence to be extended to committees. I challenge

that. Like the hon. member for Selkirk, I am concerned about the role of our committees.

One of the major difficulties stems from the fact, I suggest to Your Honour, that almost every day members of the House request unanimous consent for certain subject matters to be referred to standing committees. Since coming here I can remember only one occasion when the House accepted a motion under Standing Order 43 and allowed a matter to be referred to a particular committee. There have been numerous occasions, occurring almost daily, when the House has felt it necessary to have a committee investigate a particular circumstance. The most recent example that comes to mind involves the fisheries committee and the Standing Committee on External Affairs and National Defence. That example arose because the Secretary of State for External Affairs (Mr. Sharp), as a result of a tremendous lack of sensitivity regarding the marine resources of Canada—a lack of knowledge, a lack of understanding, a lack of interest and a lack of political backbone necessary to bring into play the decision-making capability that is necessary to enforce obvious rules to conserve the resources of the continental shelf—went his own, unique, unconcerned way and negotiated a series of treaties with European countries. The treaty with Norway is the most recent of such treaties. We have tried to negotiate a treaty with Denmark. We have tried to negotiate one with Portugal and one with Spain. We have one with France and one with the U.K.

There have been motions and arguments by members from the Atlantic region, especially from the province of Newfoundland, suggesting that the whole business ought to be referred to the Standing Committee on Fisheries and Forestry and to the Standing Committee on External Affairs and National Defence. We feel that it is necessary for those committees to consider these questions because the few minutes available when the estimates are considered in the spring will not be enough. These opportunities have been denied us and, since the government has refused to accept legitimate motions calling for the reference of important subject matters to standing committees, I feel that the committee system is being seriously undermined.

We feel, also, that there might be changes in the question period. We wonder whether Canada has the right to go ahead and, without consulting the Atlantic provinces, to negotiate these kinds of treaties in a vacuum. We wonder whether the government has the constitutional or the moral right to make on behalf of Canada this kind of in-vacuum decision. We question whether it is in order for the government of Canada to make these kinds of decisions without referring them to the House of Commons, to the representatives of the Canadian people.

We have felt seriously that the consideration of such treaties would provide a prime opportunity for the various committees involved, the committee on external affairs and the committee on fisheries, to call before them representatives of the Save our Fisheries Association, commonly referred to as SOFA, to call before them representatives of our party coming from the Atlantic region, to summon representatives of the provincial authorities that are so vitally affected and to have the whole matter brought, by means of our committee system, before the Canadian people and before the members of the House of Commons.

We are worried about the lack of concern which does not allow such committee representation, because even if that process did not result in any firm resolution or firm decision on the part of the committee, at least it would provide the vehicle necessary for airing the grievances and concerns of frustrated people in the Atlantic region who have not been receiving a legitimate response from the government on this most vital issue that affects their whole future. That is one matter I wanted to put before this House.

I hope that some of the changes suggested by my colleague for Selkirk will be seriously considered and accepted. I recently heard the government House leader make a statement to the effect that it is contemplated there will be changes with respect to the committee system. I do not feel that there is any need for major changes in the rules in this regard if we accommodate some of the legitimate requests that arise from day to day for numerous issues to be referred to our committees.

Last year, in the fisheries committee, I recall we were discussing a particular piece of legislation, the end result being that the issue of conservation, when it came before that committee, could be discussed for only one day. The committee could afford to spend only one day of its time on the matter of fish conservation, principally because the estimates had to be put through by the next day. We had one day to discuss an issue which is one of the most important issues affecting the Atlantic region. When we were able to bring one of our spokesmen from the Atlantic provinces, Mr. Etchegary, President of the Save our Fisheries Association, before that committee to testify, even though he appeared only for a few hours I think the minister and some of his officials were shocked to hear the presentation of facts regarding the tragedy of Atlantic marine resources. We were hurried in that committee and discussed the estimates most inadequately. Actually, the Canadian people would be shocked with our whole parliamentary system if they knew how the committee handled estimates involving several hundred million dollars.

I feel that even within the present rules, Standing Order 43 ought to be utilized more effectively so that we could refer some of these matters to committee. Unless we do that, or unless we amend our procedures regarding the 40-minute question period so that these matters can be delved into in greater detail in the House and bring forward more legitimate responses from the government that is responsible for its behaviour during the question period to the Canadian people, I forecast that in the coming year, 1972, the House of Commons will hardly be a fit place to be in during the question period.

I have been watching, during the last couple of weeks, what has been going on. Speaking as a member who participates actively in the question period, I have watched closely the absolute frustration and demoralization of certain members on this side of the House which has stemmed from their inability to take part actively in the House of Commons proceedings during the question period. We have been getting responses from the government that have frequently misled the House.

Some hon. Members: Hear, hear!

Mr. Lundrigan: The government has been frequently misinforming the House and not informing the House. They are not opening up, so to speak, and giving us legitimate responses. Consider the inability of the Secretary of State for External Affairs to answer questions regarding our resource problems. His answers have given rise to much frustration. Unless some way can be found either to enlarge the scope of the question period and provide more legitimate responses from the government, or for more motions under Standing Order 43 to be accepted—many of these motions being on issues that ought to be referred to standing committees—I suggest that the last session of the twenty-eighth Parliament will be one involving great challenges for the Chair and other hon. members.

There is no way that we, the members from the Atlantic region, Mr. Speaker, will take a back seat on the issue of fish conservation and marine resource management. In view of our motions calling for reference of specific subject matters to certain committees, we feel that the government has a responsibility for tabling the documents relating to the treaties and other arrangements entered into with European countries. Under the terms of confederation I do not feel that the government of this country has the right, in a vacuum, to negotiate treaties that are so disadvantageous to the people of the Atlantic region.

That is my small contribution on the matter brought forward by my colleague for Selkirk. I congratulate him for presenting this marvellous motion. It was well researched and it deserves the support of all members of the House.

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, I was expecting some other notice of motion to be brought forward today. If you will excuse my unpreparedness, I should like to comment on this notice of motion in the name of the hon. member for Selkirk (Mr. Rowland) which was discussed last month. Unfortunately, at that time I was not able to be present in the House. Many hon. members, of course, wish to speak on this matter. If you will forgive my relatively unprepared presentation today, I should appreciate saying a few words on it.

First, I should like to suggest to the hon. member for Selkirk that it would have been better if the notice of motion had not included in its wording almost everything that it is possible to suggest about our committees. It runs to many parts and contains just about everything but the kitchen sink. This is a complex question and I think there might be some difficulty voting on a motion which attempts to deal with all the frustrations the hon. member might harbour with regard to the committee system. He has included them all in one notice of motion.

I suggest that the motion could have been a little tighter. Even though it is not as tight as it might be, there is no doubt that following the revision of our rules the committee system of the House of Commons is now better than it was. However, I feel there are many areas where it could be improved. I would briefly like to note some of these along the lines suggested by the hon. member for Selkirk.

• (4:30 p.m.)

It should be borne in mind that many of my criticisms of the committee system are basically a criticism of Members of Parliament, essentially backbenchers, for not making use of the committee system as it now exists. There is great potential in the committee system which is not being used. I feel most strongly that if members of committees, mostly backbenchers with the odd parliamentary secretary who comes along to protect the minister, would attempt to use the committee system more intelligently, we could do a great deal more without any substantial change. An example given immediately prior to my intervention was the fisheries committee.

Much more could be done in the fisheries committee by the backbenchers. I exclude in this case the two parliamentary secretaries who always come prepared. Both are in the chamber, so I obviously have to exempt them. Backbenchers should be willing to do the preparatory work. They could write letters to members of the civil service who are going to appear before a committee and say that such and such a subject will be discussed, will they kindly arrange to have the people who know something about it there. They could write to the minister and say that such and such an area is of concern and would he be prepared to answer the following questions. In this way, the committee system would work a great deal better.

At present, members come to committees relatively unprepared. They hear a brief presentation by the minister or deputy minister and the officials who happen to be there. For the first time their mind is seized of the problem of the particular department. On the spur of the moment, they think that is interesting or may effect the boys back home. They feel they had better ask a question about a particular fish, fishery, boat, subsidy or whatever it may be.

I feel the committee system would work immeasurably better if Members of Parliament would take the trouble to prepare themselves for the meeting. The cry will understandably go up that they do not have time. I have made this complaint myself. Somehow or other there are too many things for Members of Parliament to do. They have to attend the House, the committees, visit their constituencies and, therefore, they feel it necessary to have a committee staff to help them in the real areas of concern. I do not deny that this argument has validity.

I notice that under paragraph (b) of his multisubdivided resolution, the hon. member refers to adequate staff. This is only an aim he is talking about. It is true that staff might be helpful. With the research assistants provided to the opposition and the government, too often the tendency is for members to pick up a piece of paper which some research assistant has prepared, read the question and get a reply from the minister which has been similarly prepared in a sort of limbo government department. There are men there who think up questions and answers. You have an exchange of views between two people, but this is not a meeting of minds. I see a member nodding in agreement. A member asks a question about a subject he knows very little about, through no fault of his own.

Mr. Peters: Researchers ask questions and researchers answer questions.

Mr. Anderson: The hon. member has said that often the researchers ask the questions and the researchers answer the questions. He has phrased it better than I. A research-

er, through the mouth of a member of the opposition, asks a minister a question and a researcher, through the mouth of a minister, replies. If there is a supplementary question, you are into a never-never land of lack of communication because neither really knows what their researcher is talking about. These words are simply being mouthed on both sides of the House. I appreciate the hon. member's assistance in making this point.

If we had committee research staff, the committees might operate in the same way. When an expert witness appears, a committee member may have a researcher sitting beside him and feeding him little notes. The researcher will tell him the thing to do is hit the witness on this subject. While the member is asking a question, the researcher writes out another question and slips it to the member. Once more the member is simply a mouthpiece for the researcher. This is not the most desirable situation. There is some balance between the two, some area where you can use a researcher to get assistance. I hope all hon. members will accept the blame. I place this blame on my own head as well as on the heads of other members. At present we do not do enough work for the committee system. We could do a great deal more. If we did more, we would not be so enthusiastic about getting extra staff.

I know that the time is short, but I would like to touch on one other aspect. With a functioning committee system, the committee is a small group which in my experience is generally very friendly. Even the member for St. John's East (Mr. McGrath), who sometimes differs with me on the fisheries committee, will agree that we are a friendly, small group. That type of group tends to get seized with the subject of a committee and works out a program for the government or suggests an amendment to the bill. You then get into a very interesting constitutional area. It is the government which will take responsibility for it.

I would be the last to suggest that because the hon. member for Selkirk or the hon. member for Comox-Alberni (Mr. Barnett) participated in a committee and made useful suggestions which the government accepted, and which later turned out to be not quite as good as we thought, that they should be stopped from criticizing us on the ground that they participated in formulating government policy through the committee system. This may sound a trifle esoteric to people in the gallery who are not parliamentarians. However, it is true that we function in this House in a somewhat partisan sense from time to time. I think this was demonstrated in the last hour. I think it is unfortunate if the suggestion is put forward that somehow or other committees can overcome this fact. I do not think it can be overcome. I do not think that under the British parliamentary system it should be overcome. I only make these comments more or less as a warning.

Even though theoretically the academic will quite often tell us that we should have committees which take the best ideas of the New Democratic Party, the Créditiste party, the member for St. John's East and members on this side of the House, and synchronize them in order to come up with the best thinking of the House, where would that leave the adversary system with the responsibility of questioning ministers? I do not know. I do not try to come down one way or another. All I do is raise it as a problem.

When the academics, who very often do not have any knowledge of this House, suggest how we should rearrange our affairs, they should bear in mind that this is a very realistic problem. I know the hon. member for Selkirk is aware of it. I do not say this as any real criticism of his motion but only to point out that it is something that cannot be overlooked.

The government takes responsibility for legislation. If the taxation proposals on which we just voted turn out to be bad, I do not think the members of the New Democratic Party who voted in the House of Commons committee on the white paper should in any way feel they must not criticize the government. Perhaps at one stage or another in the system of committees, they went along with such and such a proposal. I do not think it would be right for them to feel this way. I hope that people on the outside realize this.

There is another point I would like to mention. Basically, the motion by the hon. member for Selkirk refers to the possibility of establishing a means whereby committees could independently initiate investigations. I am the chairman of the only committee of the House of Commons which has a general reference. It is an accident of history. If anyone has forgotten it, the hon. member for Comox-Alberni knows a great deal about it. An accident led to the establishment of this committee. Its responsibility is to inquire into the problems of pollution in Canada and the plans of the federal government in relation thereto.

• (4:40 p.m.)

It is the only committee having a general reference. The hon. member for Comox-Alberni, the other members of the steering committee, or the committee itself might well, with me, decide to look into the question of pulp mill pollution, pollution from gold mines, or mercury pollution. Then, of course, we are faced with the enormity of the subject, the number of matters which could be taken up. So if there are to be more committees having general terms of reference, a great deal more in the way of responsibility must be shown by committee members themselves.

Many times, instead of saying, "That nasty minister will not allow me to put in a motion to refer a certain subject to a parliamentary committee," or, "That miserable man, the parliamentary secretary or the leader of the House will not allow me to do so," members will have to say from time to time, "My local problem is important but there are even more important problems to be considered elsewhere in the country."

I know that as chairman of a committee having a general reference I am subject to certain pressures to do one thing or another thing. For example, I received a letter some time ago accusing myself, or members of the committee generally, of being paid off by the pulp and paper industry because we declined to look into pollution from a certain pulp mill in an area where the writer of the letter has his summer home. I am not worried that he accuses me and other members of the committee in this way; we politicians are used to the kicking we get. But if committees became independent, every member would have to bear a great deal more responsibility for what is done. Time is limited, and the committees themselves would

have to come up with solutions which would from time to time go against the grain of an individual regardless of party.

Perhaps I have spoken too negatively on the hon. member's motion. I have no wish to do this, except to the extent of indicating that there are enormous difficulties associated with the committee system and that these difficulties cannot be resolved quickly. Glancing at the motion itself, I find I completely agree that committees should have more initiative in choosing subject matters for consideration instead of the minister telling them what to do on every occasion.

As to the recommendation that there should be adequate staff support, I agree, subject to the observation that though additional staff might well result in committees doing more work, it would not give them any more time in which to do it. Recommendation (c) has in mind making it mandatory for each committee to prepare at the end of each session a running record of the recommendations it has made to the government and of government action taken on those recommendations. I think this is a good proposal. There is no objection to that.

I am not decided about the suggestion that it should be mandatory for a motion of concurrence to be moved in connection with all committee reports, although I remember having myself brought a motion for concurrence before the House without great success. I think the hon. member's comments on minority reports are excellent and I agree with him that useful inquiries might well spring from the findings of standing committees.

Perhaps I might conclude by saying this. With the exception of those held by the present and former parliamentary secretaries to the Minister of Fisheries (Mr. Davis) and the other parliamentary secretaries who are here this afternoon, most of these jobs are not particularly onerous. If the committees are to be restructured and are to be given more staff, we should encourage the House and the country to regard committee chairmen as being of importance. I feel that a committee chairman should be just as important as a parliamentary secretary.

Some hon. Members: Hear, hear!

Mr. Anderson: I notice there are some who are kind enough to indicate their approval. It is important that more responsibility be placed on a committee chairman. If he brings in a report at the end of the year saying, "we held no meetings because we could not figure out what to do," someone should be able to ask, "What did you do for your extra pay? You are being paid extra for a special job; for God's sake get off your backside and do it."

The hon. member for York Centre (Mr. Walker) says committee chairmen are not paid extra. That is true. My suggestion is that instead of paying parliamentary secretaries extra, the money should be paid to committee chairmen.

Mr. Isabelle: We'll send you a cheque tomorrow.

Mr. Anderson: Before I get into deeper trouble on this issue, perhaps I should resume my seat.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to congratulate the hon. member for Selkirk (Mr. Rowland) on having brought this motion forward, particularly at a time when we are nearing the end of the session and possibly the end of a Parliament. This is a good occasion on which to assess what is happening in our committees.

I have been very interested in observing the changes which have been made in the committee system in the last few years and in reaching some conclusions as to the results of those changes. One thing has been most evident. Committees have become very tiring, very difficult and very time-consuming places into which to put a large number of people.

As to the advantages, I really do not see much change at all. There has been one improvement, though, to the extent that the provision for changes in personnel means that an hon. member can take part in the discussion of a specific subject in which he is interested without needing to be involved for a long period of time in the whole field under consideration. For example, should a member be interested in a particular problem which affects his own area, he has an opportunity to become well informed about the circumstances and take part in discussions concerning it without this involvement becoming an annual operation.

What really bothers me about the operations of committees is the way in which the government pursues the idea that it must always maintain its majority. Take, as an example, the agricultural committee, a committee which has had some very heavy legislation before it and which has travelled around the country hearing representations. I am sure there is not a single committee which has experienced a greater turnover in terms of membership. One cannot help noting that whenever a decision is to be made, the government whip ensures that bodies attend the committee meeting in order to participate in the voting.

It is very easy to make the switch that is necessary before a vote is taken. These people vote on subjects they know absolutely nothing about. Indeed, they do not care what the voting is about. They vote the way the minister or his deputy at the meeting wishes them to vote. To be fair about it, the other parties act in the same way, only to a lesser degree. I am sure there are members of the opposition who would be much more in favour of supporting changes in legislation than leaving things the way they were. Obviously, the government takes the position that things should remain as they are.

• (4:50 p.m.)

The previous speaker said a lot of the legislation referred to committees is civil service legislation and a large number of experts have to deal with collective problems which the minister, the deputy minister and others from the department who appear before the committee are not competent to discuss. If the officials are not competent to discuss such a matter, then all you can do is call for the vote and pass it in that way, because if it is discussed members might be convinced—perhaps wrongly—that the legislation should be changed.

I am sure this is true of the income tax bill. No matter what committee the bill had been sent to, the same decision would have been arrived at as the committee of the whole arrived at, which was to pass the bill in its totality. It would not have been cut up because it would never

have been put together again. How would we know which provisions affected one department or another, or one particular taxpayer or another? One consideration of the government has always been as to whether we are changing the balance of ways and means.

If I may go back to the subject of the agricultural committee, that committee considered a number of fairly complex bills. For example, it discussed the labelling of poisons legislation and a number of other matters that affected not so much agriculture but allied fields. I think it is safe to say that the committee did make the decisions and they were made fairly quickly. The members of the committee knew something about the subject and sometimes knew more than the officials. The amendments proposed by the committee were not questioned by the officials and as a result were incorporated into the legislation and the legislation became law.

Where the committee witnesses are not competent in their own field, the committee system cannot honestly and effectively make changes to legislation. One area where in my opinion we have slipped backwards is in the sending of estimates to standing committees. Estimates are sent to the various committees for examination, but the system does not work because seldom is there anyone in the committee who is prepared to take responsibility for the theory behind the estimates. As a result, the chairman of the committee says it is a matter of policy and that since the minister is not there the committee cannot discuss it. If there is a technical discussion on a particular item and the official is not there, the chairman usually says that a written answer will be provided at a later date. I suggest the committee system does not work the way we thought it would.

Previously the minister had to come to the House with his estimates and they were before the House until everyone was satisfied that his estimates were acceptable, that they went far enough or that they did not go too far. If a member asked the minister a question on a specific estimate, he got an answer. The minister was allowed to have two officials sitting at a table. If they were unable to supply the answer, he called for another official from the gallery. This was why part of the gallery was reserved for departmental officials.

This is not the case any more. The minister does not have to take responsibility in committee. Some ministers attend the committees regularly, others do not. Some send their parliamentary secretaries, others do not. Some departments send a large number of officials. I am sure the members of the veterans affairs committee would agree with me that every official who could add or subtract anything from the committee's deliberations participated fully in the discussions.

Depending on the chairman of the committee, there are many ways in which officials can speak. On the other hand, the Minister of Manpower and Immigration (Mr. Lang) came to the agricultural committee and told the committee that it had to damned well pass the bill and that it would sit until it did. We all know what happened. The country made the decision on that particular minister and piece of legislation. I am sure all members of that committee realize that the legislation itself was not all wrong. There were many good things about it, though sections of it were very bad. Surely if the committee system were functioning properly, the members of the committee would have been able to correct the bad things and strengthen the good things, in which case it would have been acceptable to the committee and to the country, and to hell with the minister. In my opinion, it is not really his business whether or not—

Mr. Deputy Speaker: Order, please.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I bring to Your Honour's attention the fact that there have been certain consultations among the parties. It is generally felt that since this motion did not get the full hour planned when it was stood over from November 19, it might retain its place for another occasion. I think you will find that there is general agreement to this.

Mr. McGrath: On the point of order, Mr. Speaker, may I say that is substantially correct. Since I should like to make a submission to the House on this subject, if it meets with the approval of the House I would move the adjournment of the debate.

Mr. Walker: On the same point of order, Mr. Speaker, I should like to say, as I said the last time this order was before the House, that I consider this one of the most important topics in terms of parliamentary procedure that we parliamentarians during this finest hour in the week between four and five o'clock on a Friday afternoon have a chance to discuss. I support any assistance Your Honour can give to the House to seek unanimous consent for the motion to retain its position on the order paper.

Mr. Knowles (Winnipeg North Centre): Perhaps it should be put into position No. 1.

Mr. Deputy Speaker: The Chair has one doubt about this. Do I understand that the hon. member for St. John's East (Mr. McGrath) used the terminology that he wished to adjourn the debate? I could not accept that motion because the hon. member for Timiskaming (Mr. Peters) has the floor. I take it that the hon. member for St. John's East is indicating his agreement with the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for York Centre (Mr. Walker) that this motion retain its place on the order paper. Is that agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Order. The hour provided for the consideration of private members' business has now expired. It being five o'clock p.m., this House stands adjourned until Monday afternoon next at 2 p.m.

At 5.02 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, December 20, 1971.

The House met at 2 p.m.

PRIVILEGE

MRS. MACINNIS—ANSWER TO QUESTION ON SPECIAL DEVELOPMENT LOAN PROGRAM

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I rise on a question of privilege concerning the manner in which we are being treated in this House by answers to questions with regard to an urgent matter.

Last Friday, in the absence of the Minister of Finance (Mr. Benson), I attempted to raise with his parliamentary secretary the serious plight of the cities of Vancouver and Victoria. Before they had submitted their applications under the special development loan fund, the entire sum available to the province of British Columbia had been allocated by the government of British Columbia, despite the fact that some 40 per cent of all those unemployed reside in those two cities. I urged that the minister consider increasing the total amount of the fund for Canada.

At this point, Mr. Speaker, you called me to order, saying that it was your impression that this question had been asked previously. You were quite correct, Mr. Speaker. Several of us had been trying to use this method to impress on the government the urgent need for help for these and other hard-pressed municipalities.

It is quite evident that up to this point the government is washing its hands of this whole matter and giving us the runaround here in the House of Commons.

I am now in receipt of further correspondence from the mayor's office, citing the Minister of Consumer and Corporate Affairs (Mr. Basford) as declaring:

> . . . I would appreciate knowing if you have any difficulty clearing your projects through either the federal government or the provincial co-ordinator.

The mayor also encloses a copy of a letter from the Minister of Manpower and Immigration (Mr. Lang) promising that the Minister of Finance will be in touch "very soon" but declaring that "this is a matter of provincial responsibility".

In view of the way in which Canada's third largest city is being given the brush-off and its representatives are being given the runaround, I feel that this whole matter should be examined by a committee of the House. Accordingly, if you find that I have a question of privilege, Mr. Speaker, I would be prepared to move, seconded by the hon. member for Vancouver East (Mr. Winch):

> That the matter of the administration of the federal-provincial employment loan program be referred to the Standing Committee on Privileges and Elections for immediate study and report.

Mr. Speaker: The hon. member for Vancouver-Kingsway has given the Chair the required notice under Standing Order 17. I have given the matter serious consideration, and of course the Chair has listened with attention to the representations just made by the hon. member for Vancouver-Kingsway. I have to suggest to the hon. member, with respect, that her complaint should not be raised by way of a question of privilege. I fail to see how parliamentary privilege is involved in any way in the complaint she has submitted to the House for the consideration of the Chair at this time. She may have a grievance but I suggest to the hon. member, with kindness, that this should not be raised by way of a question of privilege, and I cannot put the motion to which she has referred.

• (2:10 p.m.)

ROUTINE PROCEEDINGS

FINANCE

STATEMENT ON INTERNATIONAL MONETARY SETTLEMENT AND CONSEQUENCES FOR CANADA

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, an international monetary settlement was reached on Saturday, and I should like to report on it to the House.

With the permission of the House I will be tabling the communiqué issued at the end of the meeting of the Group of Ten. The principal features of the agreement may be summarized as follows:

1. The United States agreed to propose to Congress a devaluation of the dollar in terms of gold from $35 to $38 an ounce. This is an effective change of 8.57 per cent.

2. For the time being, Canada will maintain a floating exchange rate and will permit fundamental market forces to establish the exchange rate without intervention except as required to maintain orderly conditions.

3. Other countries in the Group of Ten agreed on new exchange rates for their currencies, and these are being announced by the governments concerned.

4. Countries other than those in the Group of Ten are reaching decisions with respect to their own exchange rates in consultation with the IMF.

5. It was agreed that there should be 2-1/4 per cent margins of fluctuations above and below the new fixed exchange rates.

6. The United States agreed to suppress immediately the 10 per cent import surcharge and the related provisions of the investment tax credit. I am informed that the White House has announced the suppression of the import surcharge with effect from midnight, Sunday, December 19.

Some hon. Members: Hear, hear!

Mr. Benson: Under the provisions of the Revenue Act of 1971, termination of the proclamation which established the surcharge automatically extends the investment credit to imported capital equipment which is ordered after the date of termination of the surcharge.

7. The United States administration will be seeking Congressional action on the gold price as soon as the results of the negotiations now under way on short-term trade issues are available for Congressional scrutiny.

8. Discussions will be undertaken promptly in the IMF on the reform of the international monetary system.

I should like to comment on the significance of this agreement for Canada. On the most general level it restores an orderly exchange situation on the basis of which world trade and financing can proceed with confidence. This will be of benefit to all countries, not least Canada, having in mind the vital importance of international trade to the Canadian economy.

The basis has been laid for the United States to restore its balance of payments to a sound and durable position. A serious obstacle to the expansion of the U.S. economy has been removed. When the United States prospers, Canada prospers also.

The Canadian economy has been advancing at a good pace this year. But the unsettled international situation has given rise to a sense of uncertainty in the business community. This has now been dispelled. We may therefore expect that the Canadian economy will move forward with even greater vigour.

In the field of our international relationships we also have reason to be satisfied. There have been anxieties and doubts about the direction of the United States trade and financial policies and, in particular, about the intention of the United States toward Canada. The agreement reached this weekend should help to remove these tensions. Our other partners in the Group of Ten have demonstrated a full understanding of Canada's position.

I now turn to some more particular questions relating to the consequences for Canada of this agreement.

First, the exchange rate. It will be determined by the fundamental forces in the exchange market. Our interventions will be limited to the maintenance of orderly market conditions. I might point out, Mr. Speaker, that there has been a large turnover in the foreign exchange market today, and the Canadian dollar is trading at precisely what it closed at on Friday last.

Some hon. Members: Hear, hear!

Mr. Benson: I do not expect that the terms of the agreement will have a marked effect on the exchange value of the Canadian dollar. I would stress that the change in the gold price in itself will have no direct effect on the relative value of the American and Canadian dollars.

There are some reasons to expect a stronger growth in our exports. These include the removal of the surcharge and the discriminatory features of the investment tax credit. The appreciation of other currencies will improve our competitive position. But we can also expect a more rapid growth in our imports as a result of the restoration of confidence and a more rapid expansion of Canadian production and investment. The growth of the Canadian economy this year has already been reflected in a more rapid growth of our imports than of our exports and a consequent decline in the trade surplus.

Our policy has been to seek to reduce our imports of capital. I have been asking Canadian borrowers to look to Canadian markets for their needs. I repeat that request today. I continue to believe that it is both practical and appropriate for us to supply more of our financial needs from our own savings.

Second, I would refer to the bilateral discussions of trade questions between Canada and the United States. The monetary agreement demonstrates that these have not been directly related to the United States import surcharge or the realignment of currencies. There are indeed matters of concern to both sides in the trade field. Progress is being made in discussions of these matters, and it is the intention of the government to proceed expeditiously toward a settlement. Canada and the United States are the world's largest trading partners. We hope to get rid of any abrasive elements in our commercial relationships. When the time is ripe, my colleague, the Minister of Industry, Trade and Commerce (Mr. Pepin), will report to the House on the outcome of these discussions.

Third, the suppression of the United States import surcharge will enable us to wind up the operations of the Employment Support Act.

Mr. Speaker, these negotiations have not been easy. Because of the inherent complexity of the subjects, there have been many meetings—bilateral and multilateral. Officials have met. There have been four meetings of the Group of Ten ministers and governors. I chaired the first two and through the rotation system the last two benefited from the energetic and determined chairmanship of Secretary Connally. Heads of government have met. There is no doubt that the meeting two weeks ago between our Prime Minister (Mr. Trudeau) and President Nixon contributed to the satisfactory outcome from the point of view of Canada.

Some hon. Members: Hear, hear!

Mr. Benson: Our efforts have now been rewarded with a large measure of success.

Some hon. Members: Hear, hear!

Mr. Benson: The agreement has been welcomed with enthusiasm throughout the world which I am sure is shared by all Canadians.

Some hon. Members: Hear, hear!

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, like the Minister of Finance (Mr. Benson) I am pleased and I am sure we are all pleased that a general settlement of the world monetary crisis was achieved at Washington over the weekend. I am also pleased to see that other changes have been made such as the wider spread and more flexibility with regard to the fluctuation of currencies. I am also very pleased to see that the arrangements made did not involve the repegging of the Canadian dollar at a higher level, at this time at least, and, of course, that the United States surtax is going to disappear.

There are quite a few questions to be resolved, however. For example, the minister has not made entirely clear how long the Canadian dollar can float under this arrangement. Have we been committed not to intervene under any circumstances with regard to the floating of our dollar? Were any conditions at all attached to the floating of the Canadian dollar or have we acquired some kind of special status in the International Monetary Fund? These are matters on which the minister could perhaps shed some light. I assume the agreement made by this government with the United States a couple of years ago that we would maintain our United States holdings in connection with the exchange fund in non-negotiable securities stands as it was.

We now have a floating dollar, Mr. Speaker, a dollar which floated up from about 92½ cents to 98½ cents at the time President Nixon made his announcement last August with regard to his economic policies. Since mid-August it has floated up about two more cents to about half a cent above par. I would certainly agree with the Minister of Finance that moving up from 92½ cents to something above par is as much as anybody could reasonably expect the Canadian dollar to do. We are all aware, I believe, of the effect that this upward movement has had upon many of our export industries and therefore upon jobs. We must regard increasing the number of jobs in Canada as our No. 1 priority at the present time; certainly we are far from out of the woods in this regard.

• (2:20 p.m.)

One of our concerns, Sir, is whether our dollar will float higher. Will it continue to float upward in relation to the United States dollar? It has done so since August 15, during which time most other world currencies have been moving upward in relation to the United States dollar. Now we are entering a new phase of the upward movement of most currencies. Their value will increase in relation to that of the United States dollar. What assurance is there, therefore, that continued upward floating of the Canadian dollar will not take place, as has been the case since mid-August of this year? The Minister of Finance says that the value of the Canadian dollar ought not to move upward at all in relation to the value of the United States dollar. However, that has been the trend, and the United States Secretary of the Treasury seems to have said precisely the opposite to what the Minister of Finance has said. Others are expressing concern. I am concerned myself. I hope, Mr. Speaker, that this time the Minister of Finance is right.

Mr. Diefenbaker: It will be the first time.

Mr. Stanfield: I am certainly pleased, as I say, to see that the Canadian dollar has not been pegged at a higher rate, but I emphasize, of course, that the mere fact our dollar is floating will not provide for us anything like Utopia. There is a very real danger that we will get into the same fix if the dollar floats higher than we would have got into if the dollar had been pegged at a higher rate.

Again, Sir, we do not yet know the price we will have to pay for the arrangement that was worked out over the weekend. Were concessions made with regard to other irritants such as the auto pact? The Minister of Finance has said no. But the more relevant question is, will the United States be particularly tough on Canada in these other areas such as the auto pact? The Minister of Finance said that what happened over the weekend shows that many of our fears regarding the United States attitude toward Canada were groundless. With great respect to the minister, I do not think we have yet got the answer to that question. Many of us will be concerned about just how tough the attitude of the United States administration will now be in areas like the auto pact.

We have not returned to the pre-August era. As I said, our dollar has risen in value by about 2 per cent since the middle of August, and there are still pressures around to push it up. The so-called DISC program is still on the books. For all we know, it will soon come into effect. The government is unable to tell us what the effect of that program will be upon Canada and what contingency plans it may announce. The government has no general development strategy. The minister spoke about this settlement increasing the confidence of the business community. If he is so concerned about confidence, he might take a look at some of the domestic policies this government is pursuing—

Some hon. Members: Hear, hear!

Mr. Stanfield: —which will have a substantial effect in diminishing the desire of people to commit money for investment.

The air of secrecy about these whole discussions is regrettable. I must say that I know more about what has been going on in the Common Market countries than about what has been going on in Canada in relation to these discussions with the United States.

Finally, without taking too much time may I say to the minister that I recognize that this must have been a time of great anxiety and pressure for him. I am pleased that a general settlement has been reached and I am pleased that he reached the objective he sought in connection with these discussions, a floating dollar. I am concerned, however, about what the achievement of this objective will mean for Canada, about what it will mean to the movement of our dollar and about what it will mean for employment in this country. I am concerned about these matters. Certainly we do not yet know what price will be exacted from this country for having been permitted to leave our dollar afloat. I can best describe my state of mind by saying that I am in a state of hopeful scepticism.

Mr. John Burton (Regina East): Mr. Speaker, nothing could demonstrate the failure of the policies of the Canadian government in any attempts it may have made to develop a viable and independent economy in Canada more than one short paragraph in the minister's statement. I quote that paragraph:

> The basis has been laid for the United States to restore its balance of payments to a sound and durable position. A serious obstacle to the expansion of the U.S. economy has been removed. When the United States prospers, Canada prospers also.

That is a damning indictment of the policies of the Canadian government as we witnessed them over the past 10 to 15 years.

It is fine for the Minister of Finance (Mr. Benson) to come before us today and say that the United States balance of payments and its economy are in a sound and

durable position. What we are interested in is the state of the Canadian economy. What is the situation in Canada?

The minister starts off by saying that "when the United States prospers, Canada prospers also." In the next paragraph he shows the government's compliance with that sort of point of view. He deals with the Canadian economy and, with his usual bravado, he comes forward and says: "We may therefore expect that the Canadian economy will move forward with even greater vigour." If that statement had come from any other minister on the government benches, it would have had some credibility. However, coming from the Minister of Finance, with his record regarding forecasts, this statement is not worth the paper on which it is written.

We also have to ask what deals were made behind the scene, what concessions were made and what understandings have been reached which may not yet be in writing? At one point in his statement the minister reported that progress has been made in trade talks. This can only mean that there have been some concessions. It probably means there was some horse-trading in these trade talks. Whatever concessions and adjustments have been made are of critical importance to many thousands of Canadians with regard to their everyday livelihood.

There is no doubt that to some extent the immediate impact of the announcements made today and in the last couple of days will be to relieve some stress and anxieties with regard to the economic situation, but for the long run we have no answers. I say quite frankly that none of us expects to have all of the answers now. None of us expected all of these problems to be solved by this time. But we do need to have a better idea of in what direction government policy is moving and in what direction Canada is moving.

What is the government doing to develop long-run trade policies? The minister states there are reasons to expect a stronger growth in our exports. We would like to know what exports. Is this going to be a case of continued growth in exports of our natural resources, our primary resources? The latest trade figures which have been released, for the month of November, indicate that this is the case. We are exporting more and more of our raw materials. This is becoming a greater proportion of our trade.

We also take note of the fact that talks are being held with the United States. Of critical importance to Canada, of course, is the question of our relationship with that country. This is one of the questions with which we must grapple in dealing with our long-run trade policy. Up to the present time the government has followed a policy of commiting Canada to dependency on the United States greater than many of us would like to see.

• (2:30 p.m.)

The minister reports progress in dealing with certain irritants. We would like to know which ones—the auto pact, defence sharing or some of the other irritants which have been referred to from time to time during the discussions? What options is the government exploring with respect to the future direction and thrust of trade policy? Will the government continue on the simplistic course of simply looking for global tariff reductions, desirable as these might be? Are we to strengthen our relationships with some of the trading groups? Just where is Canada going in its trade policy? None of us can find out at the present time.

I note that the minister also commented on our international investment position. He says in his statement: "I have been asking Canadian borrowers to look to Canadian markets for their needs; I repeat that request today." The point I must make is that this is a step to curtail the wrong aspect of the flow of capital into Canada. What the minister is attempting to do is to restrict the inflow of borrowed capital into Canada rather than equity capital. I think all of us recognize that there are occasions on which some flow of capital into Canada is required. But the point must be made that to the extent that we must rely on imports of capital, that capital should be in the form of borrowed capital rather than equity capital. It is obvious that the minister is moving in the wrong direction.

The minister has told us that the surcharge has been removed, as well as the discriminatory features of the investment tax credit. We must also ask the question: What about the DISC legislation, what about the legislation concerning domestic international sales corporations? Where are we moving in this regard? Are there to be any changes in United States policy in this area?

I note the minister's comments to the effect that Canada will continue to operate a floating exchange rate. We certainly approve this decision, as we have for some time. But we are also concerned about what commitments might have been made in this respect. What concessions were made in this regard? I note one item which appeared in the *Globe and Mail* this morning—

Mr. Speaker: Order, please. This might be a good moment to interrupt the hon. member if he is going to quote the *Globe and Mail*. I have to remind the hon. member that he should note the terms of the Standing Order, which requires the comments of hon. members on ministerial statements to be brief. I realize that when an important statement has been made members then should be allowed some latitude when making their comments. Nevertheless, heed must be taken of the Standing Order which invites members to comment briefly. The hon. member for Regina East might give this some thought as he goes on to quote the newspaper and perhaps reach a conclusion at an early moment.

Mr. Burton: I shall certainly take your advice, Mr. Speaker. Concern has been expressed in some quarters because reference has been made to a temporary continuation of the floating exchange rate, and also that there will be only minimal concessions or interventions by Canadian authorities in the exchange market.

We also note the minister's statement that the Employment Support Act will be wound up. I hope we shall receive a report on its operations very shortly. I hope, too, that we shall also be given a report on the extent to which the agricultural stabilization fund was used to support the export situation with respect to a number of agricultural products.

Finally, the job situation will continue to be a cause of concern to the Canadian people over the winter months and next summer. To judge from the indications afforded us at the present time, and despite the cheery statement

by the Minister of Finance, I think there is a long dark winter ahead for many thousands of Canadians.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I perused the statement of the Minister of Finance only a few minutes before the House met, when I received the English text together with a memorandum explaining why we did not get the French text. I therefore accept the minister's apologies and I am sure he did his very best.

The minister's statement is brief, and so will mine be. It shows that with some goodwill it is possible to alter the monetary system, once it has been decided to do so. We have once more the proof that it is men who control money. This is a statement to be remembered, and which the people will be able to understand.

The devaluation of the American dollar and the re-evaluation of the currencies of other countries, while allowing the Canadian dollar to continue to float, show clearly that changes are necessary in the financial field in order to prevent economic disasters. The time has come for action; I hope that it is not too late and that it is still possible to repair the damage.

I am happy to learn that the American surtax will surely disappear. We will then be able to see whether this policy is liable to improve the Canadian economy so that the whole country may benefit.

However, I deplore the fact that our economy should to such an extent depend on that of the United States. I suggest that we should never let up in our efforts to establish our economy on a more solid basis, so that it be less dependent on the American economy and more on the potential of the domestic market.

We could—and such is the wish that I express for the New Year—make another reform which, further to providing Canadians with a higher minimum income, would boost their purchasing power so as to enable them to buy a greater part of Canadian production. We would thus ensure a better distribution of goods and a greater degree of independence in relation to export markets.

And were that wish to materialize, I would be able to say at the end of 1972 that it was the best year for the Canadian government and for Canadian consumers.

* * *

[*English*]

COMBINES

TABLING OF REPORT ON CONCENTRATION IN MANUFACTURING INDUSTRIES OF CANADA—STATEMENT BY MINISTER

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I should like to table two copies, one in each official language, of a research report entitled "Concentration in the Manufacturing Industries of Canada", carried out by the combines investigation branch of my department. The report provides previously unavailable economic information concerning the level of concentration in Canadian manufacturing industries.

The study contains comprehensive data on the industrial structure of Canada. In essence, it indicates that the level of concentration in the manufacturing sector of Canadian industry appears to be growing and is significantly higher than in the United States. This has implications for Canada's industrial and commercial policies and has a direct bearing on any discussion of competition policy.

Mr. Baldwin: On a point of order, Mr. Speaker. If the minister is tabling documents under Standing Order 41(2) he has no business at all to make an accompanying statement, and he should know that.

Mr. Speaker: My interpretation of the minister's action was that he was making a statement on motions. He has made a statement, and I see no difficulty about hearing comments from opposition members.

Mr. Baldwin: We knew nothing about the statement being made over here.

* * *

MANPOWER

REPORT ON TRAINING PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to propose a motion under the terms of Standing Order 43. The pressing and urgent circumstances relate to the evaluation report of the Canada Manpower training program, tabled in the House on December 16, 1971 by the Minister of Manpower and Immigration, which purports to contain evidence that the training program results in higher wages and higher employment rates for the graduates.

• (2:40 p.m.)

This alleged evidence is in conflict with the analysis made by the Economic Council of Canada in its Eighth Annual Review published last September. If unanimous consent is given I move, seconded by the hon. member for Saskatoon-Biggar (Mr. Gleave):

That this House, taking note of the evident contradiction about the effectiveness of the Canada Manpower training program, urges that the matter be referred to the Standing Committee on Labour, Manpower and Immigration to inquire into the appropriateness of a government department evaluating its own achievements.

Mr. Speaker: Hon. members have heard the motion proposed under Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

* * *

CANADA POISON PREVENTION PACKAGING BILL

PROTECTION OF CHILDREN FROM POISONOUS HOUSEHOLD SUBSTANCES

Mr. Barry Mather (Surrey-White Rock) moved for leave to introduce Bill C-274, respecting the protection of children from poisonous household substances.

Questions

Some hon. Members: Explain.

Mr. Mather: Mr. Speaker, the purpose of the bill is simply to ensure that special packaging will be provided for household substances that are likely to cause serious harm or injury especially to children, so that the occurrence of all such incidents can be eliminated or minimized.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

STANDARD NUMBER OF WORKING HOURS IN A YEAR—NATIONAL STANDARD MINIMUM HOURLY WAGE

Question No. 1,584—**Mr. McCleave:**

1. What does the Department of Labour consider to be the standard number of working hours in a year?

2. What does the Department of Labour consider to be the minimum hourly wage that should be paid as a national standard?

Hon. Bryce Mackasey (Minister of Labour): 1. The Canada Labour Code, Part III, prescribes standard hours of eight in a day and 40 in a week, subject to averaging of hours over a period of time in certain circumstances. Over 52 weeks, standard hours would be 2,080, subject to deductions for holidays not worked and annual vacations.

2. The Canada Labour Code, Part III, prescribes a minimum wage of $1.75 per hour for employees of the age of 17 years and over. For employees under 17 years, the minimum wage is set at $1.50 per hour by regulation.

PUBLIC SERVICE—PROFESSIONALS IN ES CATEGORIES

Question No. 1,663—**Mr. Saltsman:**

1. How many professionals in the ES category (Economists, Statisticians and Sociologists) are currently on the payroll of each of the federal departments and agencies?

2. What are their classification levels and salary ranges?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1.

1. Departments and agencies	Level 1	Level 2	Level 3	Level 4	Level 5	Total
Agriculture	22	33	13	6	1	75
Communications	1	1	2	—	1	5
Post Office	6	1	1	1	—	9
Consumer and Corporate Affairs	6	4	6	2	3	21
Energy, Mines and Resources	1	21	9	1	1	33
National Energy Board	7	6	5	2	—	20
Environment	54	32	15	6	5	112
External Affairs	6	4	—	—	—	10
Canadian International Development Agency	—	—	—	—	1	1
Finance	35	30	14	16	3	98
Tariff Board	—	1	3	—	1	5
Indian Affairs and Northern Development	11	12	4	2	1	30
Industry, Trade and Commerce	16	16	10	4	4	50
Statistics Canada	208	142	86	19	25	480
Labour	4	22	8	4	—	38
Unemployment Insurance Commission	6	2	1	—	—	9
Manpower and Immigration	55	34	15	8	2	114
National Health and Welfare	14	19	6	6	1	46
National Revenue—Taxation	3	1	—	—	1	5
Privy Council Office	—	2	1	1	1	5
Public Works	—	1	—	—	—	1
Regional Economic Expansion	2	24	24	12	5	67
Canadian Radio-Television Commission	2	2	1	—	—	5
Public Service Commission	—	1	—	—	—	1
Solicitor General	—	1	—	1	—	2
Correctional Services	1	—	—	—	—	1
Supply and Service	4	2	2	—	—	8
Ministry of Transport	12	11	3	7	1	34
Canadian Transport Commission	22	23	4	4	2	55
Treasury Board	1	3	1	—	—	5
Veterans' Affairs	—	1	—	—	—	1
Public Service Staff Relations Board	—	1	—	—	1	2
Science Council of Canada	—	—	1	1	1	3
Economic Council of Canada	9	12	4	4	—	29
Total	508	465	239	107	61	1,380

2. The salary ranges for the above category are:

Level	Salary	
	Minimum	Maximum
ES 1	$ 6,960	$14,192
ES 2	15,236	20,557
ES 3	20,750	23,278
ES 4	23,220	25,785
ES 5	22,000	27,250

FEDERAL CONTRIBUTION TO NATIONAL CANCER INSTITUTE

Question No. 1,745—**Mr. Alexander:**

Has the government contributed financially to the support of the National Cancer Institute and, if so (a) what was the total amount contributed since 1947 (b) what proportion did this total constitute of the total income of the Institute during that period (c) what proportion of the total budget of the Institute for 1971-72 was contributed by the government?

Hon. John C. Munro (Minister of National Health and Welfare): (a) More than $4,000,000 for the period 1948-49 to 1970-71. (b) The total income of the Institute for the period 1948-49 to 1970-71 is not readily available to the Department. (c) Information on the total budget of the Institute for 1971-72 is not available to the Department. However, an amount of $250,000 is being made available to the Institute for the fiscal year 1971-72.

NATIONAL PAROLE SERVICE OFFICES, BRITISH COLUMBIA

Question No. 1,767—**Mr. Orlikow:**

1. How many parole staff positions were there in British Columbia for the fiscal year 1970-1971?

2. What was the average cost of maintaining each position?

3. What was the total budget of the two National Parole Service Offices in British Columbia during the fiscal year 1970-71?

4. How many cases has the parole staff had under their supervision in British Columbia during the fiscal year 1970-71?

5. How many cases has the John Howard Society of British Columbia had under its supervision during the fiscal year 1970-71?

6. What was the parole grant to the John Howard Society of British Columbia for the fiscal year 1970-71?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Twenty-five.

2. $11,602.

3. There are four National Parole Service Offices in British Columbia. Budgeting for National parole offices is centralized and, therefore, figures on a provincial basis are not available.

4. 7,071.

5. 856.

6. The John Howard Society of British Columbia were paid a total of $27,480, of which, $18,330 was in the form of grants. All after care agencies are now paid on a fee for service basis.

Notes: (1) Parts 4 and 5. Figures shown represent man-months of supervision, not individual cases of supervision. (2) Part 6. The money paid to the John Howard Society of British Columbia includes $30 for each man-month of supervision provided by the Agency, and $40 for each community investigation carried out by the Agency on behalf of the National Parole Service. (3) There are a number of other after-care Agencies involved in the work of supervision in the province of British Columbia also.

NATIONAL PAROLE SERVICE OFFICES, ALBERTA

Question No. 1,768—**Mr. Orlikow:**

1. How many parole staff positions were there in Alberta for the fiscal year 1970-71?

2. What was the average cost of maintaining each position?

3. What was the total budget of the two National Parole Service Offices in Alberta during the fiscal year 1970-71?

4. How many cases has the parole staff had under their supervision in Alberta during the fiscal year 1970-71?

5. How many cases has the John Howard Society of Alberta had under its supervision during the fiscal year 1970-71?

6. What was the parole grant to the John Howard Society of Alberta for the fiscal year 1970-71?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Fourteen.

2. $11,853.

3. Budgeting for National Parole Offices is centralized, and therefore, figures on a provincial basis are not available.

4. 4,985.

5. 1,289.

6. The John Howard Society of Alberta were paid a total of $30,369, of which $1,389 was in the form of grants. All after care agencies are now paid on a fee for service basis.

Notes: (1) Parts 4 and 5. Figures shown represent man-months of supervision, not individual cases of supervision. (2) Part 6. The money paid to the John Howard Society of Alberta includes $30 for each man-month of supervision provided by the Agency, and $40 for each community investigation carried out by the Agency on behalf of the National Parole Service. (3) There are a number of other after-care Agencies involved in the work of supervision in the province of Alberta also.

NATIONAL PAROLE SERVICE OFFICES, SASKATCHEWAN

Question No. 1,769—**Mr. Orlikow:**

1. How many parole staff positions were there in Saskatchewan for the fiscal year 1970-1971?

2. What was the average cost of maintaining each position?

3. What was the total budget of the two National Parole Service Offices in Saskatchewan during the fiscal year 1970-71?

4. How many cases has the parole staff had under their supervision in Saskatchewan during the fiscal year 1970-71?

5. How many cases has the John Howard Society of Saskatchewan had under its supervision during the fiscal year 1970-71?

6. What was the parole grant to the John Howard Society of Saskatchewan for the fiscal year 1970-71?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Eight.

2. $12,141,00

3. There are three National Parole Service Offices in Saskatchewan. Budgeting for National Parole Service

Offices is centralized, and therefore, figures on a provincial basis are not available.

4. 1,612.

5. 551.

6. The John Howard Society of Saskatchewan were paid a total of $19,170, of which, $13,925 was in the form of grants. All after care agencies are now paid on a fee for service basis.

Notes: (1) Parts 4 and 5. Figures shown represent man-months of supervision, not individual cases of supervision. (2) Part 6. The money paid to the John Howard Society of Saskatchewan includes $30 for each man-month of supervision provided by the Agency, and $40 for each community investigation carried out by the Agency on behalf of the National Parole Service. (3) There are a number of other after-care Agencies involved in the work of supervision in the province of Saskatchewan also.

NATIONAL PAROLE SERVICE OFFICES, MANITOBA

Question No. 1,770—**Mr. Orlikow:**

1. How many parole staff positions were there in Manitoba for the fiscal year 1970-71?

2. What was the average cost of maintaining each position?

3. What was the total budget of the two National Parole Service Offices in Manitoba during the fiscal year 1970-71?

4. How many cases has the parole staff had under their supervision in Manitoba during the fiscal year 1970-71?

5. How many cases has the John Howard Society of Manitoba had under its supervision during the fiscal year 1970-71?

6. What was the parole grant to the John Howard Society of Manitoba for the fiscal year 1970-71?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Thirteen.

2. $10,593.

3. Budgeting for National Parole Service Offices is centralized, and therefore, figures on a provincial basis are not available.

4. 3,267.

5. 839.

6. The John Howard Society of Manitoba were paid a total of $28,610, of which $9,340 was paid in the form of grants. All after care agencies are now paid on a fee for service basis.

Notes: (1) Parts 4 and 5. Figures shown represent man-months of supervision, not individual cases of supervision. (2) Part 6. The money paid to the John Howard Society of Manitoba includes $30.00 for each man-month of supervision provided by the Agency, and $40.00 for each community investigation carried out by the Agency on behalf of the National Parole Service. (3) There are a number of other after-care Agencies involved in the work of supervision in the province of Manitoba also.

NATIONAL PAROLE SERVICE OFFICES, ONTARIO

Question No. 1,771—**Mr. Orlikow:**

1. How many parole staff positions were there in Ontario for the fiscal year 1970-71?

2. What was the average cost of maintaining each position?

3. What was the total budget of the two National Parole Service Offices in Ontario during the fiscal year 1970-71?

[Mr. Goyer.]

4. How many cases has the parole staff had under their supervision in Ontario during the fiscal year 1970-71?

5. How many cases has the John Howard Society of Ontario had under its supervision during the fiscal year 1970-71?

6. What was the parole grant to the John Howard Society of Ontario for the fiscal year 1970-71?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Fifty-one.

2. $11,880.

3. There are ten National Parole Service Offices in Ontario. Budgeting of parole offices is centralized, and therefore, figures on a provincial basis are not available.

4. 17,289.

5. 5,016.

6. The John Howard Society of Ontario were paid $162,-320, of which, $32,720 was in the form of grants. All after care agencies are now paid on a fee for service basis.

Notes: (1) Parts 4 and 5. Figures shown represent man-months of supervision, not individual cases of supervision. (2) Part 6. The money paid to the John Howard Society of Ontario includes $30 for each man-month of supervision provided by the Agency, and $40 for each community investigation carried out by the Agency on behalf of the National Parole Service. (3) There are a number of other after-care Agencies involved in the work of supervision in the province of Ontario also.

NATIONAL PAROLE SERVICES OFFICES, QUEBEC

Question No. 1,772—**Mr. Orlikow:**

1. How many parole staff positions were there in Quebec for the fiscal year 1970-71?

2. What was the average cost of maintaining each position?

3. What was the total budget of the two National Parole Service Offices in Quebec during the fiscal year 1970-71?

4. How many cases has the parole staff had under their supervision in Quebec during the fiscal year 1970-71?

5. How many cases has the John Howard Society of Quebec had under its supervision during the fiscal year 1970-71?

6. What was the parole grant to the John Howard Society of Quebec for the fiscal year 1970-71?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Forty-three.

2. $11,809.

3. There are seven National Parole Service Offices in Quebec. Budgeting of National Parole Service Offices is centralized, and therefore, figures on a provincial basis are not available.

4. 15,093.

5. 1,747.

6. The John Howard Society of Quebec were paid a total of $57,040, of which, $9,635 were in the form of grants. All after-care agencies are now paid on a fee for service basis.

Notes: (1) Parts 4 and 5. Figures shown represent man-months of supervision, not individual cases of supervision. (2) Part 6. The money paid to the John Howard Society of Quebec includes $30 for each man-month of supervision provided by the Agency, and $40 for each community investigation carried out by the Agency on behalf of the National Parole Service. (3) There are a number of other after-care Agencies involved in the work of supervision in the province of Quebec also.

NATIONAL PAROLE SERVICE OFFICES, NOVA SCOTIA

Question No. 1,773—**Mr. Orlikow:**

1. How many parole staff positions were there in Nova Scotia for the fiscal year 1970-71?

2. What was the average cost of maintaining each position?

3. What was the total budget of the two National Parole Service Offices in Nova Scotia during the fiscal year 1970-71?

4. How many cases has the parole staff had under their supervision in Nova Scotia during the fiscal year 1970-71?

5. How many cases has the John Howard Society of Nova Scotia had under its supervision during the fiscal year 1970-71?

6. What was the parole grant to the John Howard Society of Nova Scotia for the fiscal year 1970-71?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Eight.

2. $11,866.

3. There are three National Parole Service Offices in Nova Scotia. Budgeting of National Parole Service Offices is centralized, and therefore, figures on a provincial basis are not available.

4. 2,049.

5. 647.

6. The John Howard Society of Nova Scotia were paid a total of $23,890, of which, $8,915 was in the form of grants. All after care agencies are now paid on a fee for service basis.

Notes: (1) Parts 4 and 5. Figures shown represent man-months of supervision, not individual cases of supervision. (2) Part 6. The money paid to the John Howard Society of Nova Scotia includes $30 for each man-month of supervision provided by the Agency, and $40 for each community investigation carried out by the Agency on behalf of the National Parole Service. (3) There are a number of other after-care Agencies involved in the work of supervision in the province of Nova Scotia also.

PROFESSIONAL EMIGRATION TO THE UNITED STATES

Question No. 1,864—**Mr. Orlikow:**

How many Canadian scientists, research workers, engineers, university professors and medical doctors left Canada to work in the United States in the past year?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada* reports that: The following table shows the number of people in certain occupation groups who left Canada to work in the United States. There is no classification for "research worker" in the source material.

	1969	Jan.-June 1970
Scientists[1]	102	42
Engineers[2]	1,001	321
Professors and Instructors[3]	161	63
Physicians and Surgeons[4]	267	112

*Source: United States Department of Justice, Immigration and Naturalization Service.

[1] Scientists include agricultural, biological, geologists, geophysicists, mathematicians, physicists, and miscellaneous natural scientists.

[2] Engineers, include aeronautical, chemical, civil, electrical, industrial, mechanical, metallurgical, metallurgists, mining, and sales.

[3] Professors and Instructors include college presidents and deans and professors and instructors.

[4] Medical Doctors are described in the source material as Physicians and Surgeons.

Note: Figures for the last half of 1970 are not yet available.

PENITENTIARY INMATE POPULATION—CANADA—1970

Question No. 1,874—**Mr. Orlikow:**

1. How many persons were serving penitentiary sentences in each penitentiary in Canada during 1970?

2. Of those persons serving penitentiary sentences, how many were (a) Indians within the meaning of the Indian Act (b) of Indian ancestry, in each penitentiary during 1970?

Hon. Jean-Pierre Goyer (Solicitor General):

1.

Institution	Inmate Population Dec. 30/70	2(a) and (b) Inmates of Indian Origin Oct. 25 1971
H.M. Prison—Newfoundland	6	3
Dorchester (Inc. Farm Annex and Blue Mountain Correctional Centre)	442	15
Springhill	239	11
*St-Vincent-de-Paul	481	1
Federal Training Centre	276	2
Leclerc	434	2
Cowansville	349	3
Special Correctional Unit	62	3
Archambault	378	2
Ste-Anne-des-Plaines	62	2
St-Hubert Centre	11	0
Kingston	699	7
Collins Bay (Inc. Farm Annex)	440	8
Beaver Creek	67	0
Landry Crossing	52	1
Joyceville (Inc. Farm Annex)	477	12
Warkworth	271	4
Montgomery Centre	6	1
Prison for Women	86	10
Manitoba (Inc. Farm Annex)	427	126
Osborne Centre	12	3
Saskatchewan (Inc. Farm Annex)	433	117
Drumheller	353	100
British Columbia	470	57
William Head	103	24

Questions

1.

Institution	Inmate Population Dec. 30/70	2(a) and (b) Inmates of Indian Origin Oct. 25 1971
Matsqui (Inc. Mountain Prison and Agassiz Correctional Camp)	516	46
West Georgia Centre	9	1
	7,161	561

*Includes Work Annex.

Note: Answer 2(a) and (b) The figures given have been extracted, as of October 25, 1971, from inmate records held by each institution, and reflect as accurately as can be determined, the current Canadian Indian inmate population. Although admission forms record racial origin, many inmates of obvious Canadian Indian parentage declare themselves as Canadian. Also, many native Indian inmates, although admitting of Canadian Indian ancestry, do not divulge their status, i.e., Treaty Indian or otherwise. Accordingly, inmate records cannot accurately reflect the actual number of Canadian Indian inmates or their various categories. In addition, the time and cost factors which would be involved in searching back files to determine the approximate number of Canadian Indians in custody, as of December 1970, would be exorbitant or prohibitive.

POST OFFICE—INCREASE IN POSTAGE ON JUNK MAIL

Question No. 1,982—**Mr. Robinson:**

Will the government consider increasing the postage on "junk mail" in an effort to reduce the amount of such mail and the cost to the taxpayers in subsidy?

Hon. Jean-Pierre Côté (Postmaster General): In replying to this question I would like to point out that there is no such class of mail as "Junk Mail".

[Mr. Goyer.]

SURVEY OF RADIOACTIVITY IN COLOUR TV SETS

Question No. 2,028—**Mr. Robinson:**

1. Has the government surveyed a sampling of privately owned colour TV sets to determine radioactivity and, if so, how many owners participated in the survey?

2. What was the cost of the survey?

3. Have the results of the survey been obtained and evaluated?

4. According to the survey, is there any harm due to radiation from colour TV sets?

5. Does the government propose any further experimentation in this field in the interests of safety to Canadians?

Hon. John C. Munro (Minister of National Health and Welfare): 1. In 1969, the Department of National Health and Welfare conducted a survey of about 500 privately-owned colour TV sets to determine the extent of X-ray emission.

2. Approximately $6,000.

3. The results of the survey were published in a scientific report available from the Department. Summary findings were disseminated to the media through news releases.

4. About 11 per cent of the colour TV sets tested were found to emit radiation somewhat above the recommended level. In view of this, the Department, through the media, recommended to the public TV habits that would avoid any possible harm.

5. It was determined that the excess radiation levels were largely caused by deficiencies in certain components. Subsequently, these were greatly improved by the Industry. Regulations governing design, construction and performance to ensure safety have been developed by the Department and are expected to be in force soon under the Radiation Emitting Devices Act.

POWDERED MILK

Question No. 2,076—**Mr. Lambert (Bellechasse):**

As of October 30, 1971, were there still quantities of powdered milk in storage and, if so, what were the quantities involved?

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The following quantities of milk were in storage as of November 1, 1971:

Whole milk powder	198,000 pounds
Skim milk powder	67,467,000 pounds

[*English*]

LEASING OF CROWN PROPERTIES

Question No. 2,103—**Mr. McCleave:**

Does the Crown, as represented by Her Majesty in Right of Canada, lease premises in Ottawa to the Solicitor General and, if so, for what amount and under what terms does such lease subsist?

Hon. Jean-Pierre Goyer (Solicitor General): No.

NUMBER OF PRISON WARDENS AND POLICEMEN KILLED SINCE REVISION OF CRIMINAL CODE, 1967

Question No. 2,153—**Mr. Laprise:**

For each year since the revision of the Criminal Code in 1967, how many prison wardens and policemen have been killed and how many persons have been sentenced to capital punishment and executed following these murders?

[*Translation*]

Mr. Brude Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: Since 1967, no prison wardens have been killed. The following table shows the number of policemen murdered or killed by criminal action, and the number of people convicted, for each year since 1967.

Year	Policemen Murdered or Killed By Criminal Action	Persons Convicted	CONVICTIONS				
			Capital Murder Pending Execution	Death Sentence Commuted	Non-capital Murder	Man-slaughter	Assault
1967	3	1	–	1	–	–	–
1968	5	6	–	–	1	4	1
1969	5[1]	7	–	2	4	1	–
1970	3	1	1	–	–	–	–

[1]One murder unsolved.

[*English*]

PEI—GREEN GABLES GOLF COURSE

Question No. 2,191—**Mr. MacLean:**

1. Is it the intention of the government to redesign and rearrange the Green Gables Golf Course in the Prince Edward Island National Park and, if so, has any survey been carried out among persons who regularly golf on this course or among local residents as to the desirability of the proposed change and with what result?

2. What is the necessity or rationale of the redesigning?

3. What is the total estimated cost of the rearrangement of the golf course?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. The National and Historic Parks Branch is presently engaged in a number of planning studies of Prince Edward Island National Park, particularly in the Cavendish area. Some of the alternative planning proposals being considered do involve modifications to the Green Gables Golf Course. However, no decision has been made as to what, if any, modifications will be necessary. Since the planning studies are still in the initial stages, surveys have not yet been carried out.

2. In order to meet the ever increasing demand for beach facilities and to prevent further deterioration of the park resources in the Cavendish area it is necessary to modernize and expand the capacity of existing beach facilities. In order to accomplish this redevelopment proposal certain lands now occupied by the golf course may be needed. In anticipation of this need the National and Historic Parks Branch is engaged in acquiring additional land which would facilitate any modifications to the golf course should they prove necessary.

3. Since planning studies are only in the initial stages and several alternatives are involved it is not possible at this time to make any estimation of cost related to possible golf course modifications.

CBC PERSONNEL

Question No. 2,227—**Mr. Rodrigue:**

1. How many persons were employed by the CBC as of (a) December 1, 1971 (b) March 31, 1971, 1970, 1969, 1968 and 1967?

Questions

2. What amount did the CBC pay in salaries during the fiscal years 1967-68, 1968-69, 1969-70 and 1970-71?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Number of continuing CBC employees: (a) As of December 1, 1971, 9.000. (b) As of March 31, 1971, 8,885; as of March 31, 1970, 8,951; as of March 31, 1969, 9,147; as of March 31, 1968, 9,042; as of March 31, 1967, 9,123.

2. 1967-68, $83.4 million; 1968-69, $89.8 million; 1969-70, $98.4 million; 1970-71, $104.8 million.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

INDIAN UNIONS

Question No. 1,761—**Mr. McQuaid:**

Is the government responsible in any way for Indian Unions and, if so (a) what was the total amount for the fiscal year that was given to the Indian Unions by province (b) what are the salaries of the staffs of those working for the Indian Unions in Alberta and in the Maritime Provinces (c) how many people are employed by Indian Unions and Bands by province?

Return tabled.

PLACING OF REPORTS ON BILINGUALISM AND BICULTURALISM

Question No. 1,774—**Mr. Nowlan:**

1. Were any reports placed in the Archives by the Royal Commission on Bilingualism and Biculturalism and, if so (a) what were their titles (b) how much did each cost (c) who produced each study (d) when is each to be made available to the public?

2. (a) Were there prior consultations between members of the Royal Commission with the Secretary of State or Prime Minister in arriving at a decision to place the above reports in the Archives (b) by whose authority were they placed in the Archives (c) how many copies of each report placed in the Archives had been produced (d) are the reports and all copies now in the Archives and, if not, for what reason, who has them and where are they (e) which reports were made available or distributed to all members of the Royal Commission (f) which of the reports mentioned above were made available or distributed to one or more Ministers of the Crown?

Return tabled.

FINES FOR INFRACTIONS UNDER COMBINES INVESTIGATION ACT OR CRIMINAL CODE, SECTION 411 or 412

Question No. 1,860—**Mr. Orlikow:**

In the past year, have any persons or corporations been fined for infractions of the Combines Investigation Act or Section 411 or 412 of the Criminal Code and, if so (a) what are the names of the persons or corporations so fined (b) what was the amount of the fine in each case (c) when was the fine imposed (d) what infractions occasioned the fine?

Return tabled.

*PERSONNEL OF PRIME MINISTER'S OFFICE

Question No. 1,893—**Mr. Coates:**

1. What are the name, specific responsibilities and salary of each member of the present staff of the Prime Minister's office?

[Mr. Rodrigue.]

2. (a) What is the present staff of the Privy Council Office (b) what are the name, specific responsibilities and salary of each member?

3. Has a request gone forward from the Prime Minister to the President of the Treasury Board to further increase his staff and, if so, by what amount and what will be the specific responsibility of the additional staff?

Return tabled.

ORAL QUESTION PERIOD

FINANCE

INTERNATIONAL MONETARY SETTLEMENT—CONSEQUENCES FOR CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance about the agreement reached in Washington. Are there any restrictions, either imposed or understood, with regard to the length of time it is permissible for Canada to float its dollar?

Hon. E. J. Benson (Minister of Finance): None whatsoever, Mr. Speaker.

Mr. Stanfield: Am I to understand that the Canadian dollar has a special status now under the International Monetary Fund and that Canada will, as a member of that fund, be permitted to allow its dollar to float indefinitely?

Mr. Benson: Mr. Speaker, perhaps the best thing is to read from the communiqué:

The Canadian Minister informed the Group that Canada intends to permit fundamental market forces to establish the exchange rate without intervention except as required to maintain orderly conditions.

This was agreed upon by the Group of Ten.

Mr. Stanfield: May I refer the minister to page 4 of this statement where he said:

I do not expect that the terms of the agreement will have a marked effect on the exchange value of the Canadian dollar.

I wonder whether the minister would be good enough to be a little more precise as to what he means by a marked effect. Does he means that under the terms of this agreement the Canadian dollar will not move upward more than, say, a cent?

Mr. Benson: Mr. Speaker, what I have been trying to explain to the Leader of the Opposition for some weeks now is that the market has been determining the value of the Canadian dollar vis-à-vis the United States dollar. The fact that the United States has devalued its currency in terms of gold should not in itself affect this relationship. Underlying market forces can affect this relationship, and therefore one cannot forecast from day to day what the value of the dollar will be while it is floating.

Mr. Stanfield: Recognizing that there is more to this agreement than a devaluation of the U.S. dollar in terms of gold and also a revaluation of other important currencies in the world, will the minister indicate what he means

when he says that this agreement will not have a marked effect?

Mr. Benson: Mr. Speaker, the value of the Canadian dollar in terms of the United States dollar, as I said, has been determined by its free market value. The fact that other currencies have floated upward in the period since August 15 and have now been revalued upward will, of course, react favourably with respect to Canada's dealings abroad.

Mr. John Burton (Regina East): Mr. Speaker, I have a supplementary question regarding the quotation the minister gave the Leader of the Opposition concerning Canada's situation in maintaining a floating exchange rate. Would the minister indicate whether use of the term "temporarily" has reference to a time period already established or to a particular set of circumstances? If so, could the minister elaborate on the matter for the benefit of the House?

Mr. Benson: Mr. Speaker, "temporarily" refers to a time period which I should not like to define.

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THE CANADIAN ECONOMY

FOREIGN INVESTMENT—INQUIRY AS TO ANNOUNCEMENT OF SCREENING AGENCY AND INDUSTRIAL STRATEGY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the close relationship between foreign investment in Canada and the exchange rate of our dollar, can the Prime Minister say whether the government will soon be announcing the screening agency to which he made reference in an interview broadcast yesterday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not recall the reference to which the hon. member alludes but the government's announcement on foreign investment will be made soon.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, will that announcement include a statement as to the government's proposal for industry in Canada—in other words, its industrial strategy—so that we will know in what direction the government wants this country to go?

Mr. Trudeau: Mr. Speaker, the hon. member will have to wait until the government makes its announcement to know its content, but I dare say it will be more precise than the policy of the New Democratic Party on foreign investment.

* * *

TRADE

POSSIBLE CANADIAN CONCESSIONS IN DISCUSSION OF IRRITANTS WITH UNITED STATES FOLLOWING INTERNATIONAL MONETARY SETTLEMENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is supplementary to an earlier question. Can the Minister of Finance give an assurance to the House and to the country that Canada will make no concessions in respect of the so-called trade irritants which have been under discussion?

• (2:50 p.m.)

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, in the context of the settlement reached on Saturday no concessions were made by Canada whatsoever. The matter of trade is being discussed quite separately by my colleague the Minister of Industry, Trade and Commerce. A number of trade irritants on both sides of the border are being discussed and it is hoped that this discussion will move forward toward a conclusion because one thing we need in trade with the United States is reasonable affability between the two countries in trade matters.

Mr. Baldwin: Mr. Speaker, the minister did not answer my question. Is he able to assure the House that no substantial concessions will be made by Canada in respect of these so-called trade irritants?

Mr. Benson: Mr. Speaker, if there are concessions made by Canada in respect of trade irritants we will expect compensating concessions from the United States. This is the reason for the negotiation that is taking place. Both sides have trade irritants and we want to get rid of them so that trade may move in larger amounts even more freely back and forth across our borders.

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[*Translation*]

CRIMINAL CODE

INTRODUCTION OF BILL RESPECTING RE-ESTABLISHMENT OF CAPITAL PUNISHMENT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to put a question to the hon. Minister of Justice.

In view of the increasing number of murders in Canada and the obvious concern of the population in that regard as evidenced by the letters we receive, would the hon. minister tell the House, in order to comfort the population, whether he intends to introduce in due time a bill reinstating capital punishment?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, anything relating to capital punishment should be considered by the Parliament of Canada perhaps before December 29, 1972, at which date the present legislation ceases to apply.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question to the Minister of Justice.

In connection with the qualified murder of policemen or prison guards, I have just obtained an answer to the effect that since 1967, 16 policemen have been murdered and that capital punishment has not been carried out in any of those cases. Could the minister tell us under what regulation the legislation is not applied?

Mr. Speaker: Order. The hon. member is asking the minister to give his interpretation of a statute and I do not think that question is in order.

[*English*]

I believe the hon. member for Saskatoon-Biggar has a supplementary to the previous question.

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TRADE

NEGOTIATIONS BETWEEN UNITED STATES AND COMMON MARKET RESPECTING ACCESS FOR AMERICAN FARM PRODUCTS—CANADIAN REPRESENTATIONS

Mr. A. P. Gleave (Saskatoon-Biggar): Thank you, Mr. Speaker. The Minister of Finance referred to further consultations on trade between the Minister of Industry, Trade and Commerce and his United States counterpart. In view of the fact that the President of the United States and the President of France in their meeting did discuss access to the Common Market for farm products from the United States, may I ask whether discussions are taking place between our Minister of Industry, Trade and Commerce and his counterpart in the United States to gain greater access for Canadian farm products?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this negotiation in the trade area with regard to agricultural products is to go on between the United States and the European Common Market. We have expressed our interest in any such negotiations. We will be in touch with the United States concerning the negotiations and we would expect any concessions which ultimately come out of these talks would be non-discriminatory.

Hon. Marcel Lambert (Edmonton West): I have a supplementary, Mr. Speaker. Does the Minister of Finance say we have merely expressed an interest in such negotiations or is Canada actively participating in negotiations with regard to this particular point? Also, are there other points such as the removal of non-tariff barriers by the Common Market which was one item that was a subject of discussion earlier, and is Canada doing anything to pursue actively the removal of these non-tariff barriers?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, first of all, these are bilateral negotiations between the United States and the European Common Market. We have been pursuing the same ends in our dealings with the European Common Market but the negotiations presently going on, as I understand it, are bilateral negotiations between the United States and Japan and between the United States and the Common Market. We, of course, have indicated our interest in them and would expect that any results would be non-discriminatory in nature. With regard to the Common Market, we have been dealing with them and expressing our opinions on various matters to them directly.

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CRIMINAL CODE

POSSIBLE AMENDMENT TO PROVIDE THAT LIFE SENTENCES SHALL BE SERVED BY THOSE WHO KILL POLICE AND CUSTODIAL OFFICERS

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have two questions to ask the Minister of Justice. The first arises out of questions which have been asked this afternoon with regard to the abolition of the death penalty. Has consideration been given on the part of the government to meeting the serious situation created by reason of the numbers of police and custodial officers who have been murdered in the last year and a half? Has any consideration been given to changing the Criminal Code to provide that those who kill police officers or custodial officers shall serve their life sentences rather than placing them in the position of having little to lose by killing officers charged with the administration of justice?

Hon. John N. Turner (Minister of Justice): As I said, Mr. Speaker, the whole subject of capital punishment will have to be reviewed in some way before the present law which is on a trial period of five years expires on December 29, 1972. At that time the government would make its intentions known.

SUGGESTED APPEAL AGAINST SENTENCES IMPOSED ON KINGSTON PENITENTIARY INMATES FOR MURDER DURING RIOT

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I have one other question. Normally I do not believe in harsh sentences, but the fact is that across this country public opinion has been aroused over the sentences imposed on certain inmates of Kingston penitentiary for murder and unspeakable cruelties. In view of the fact that there are fears in various penitentiaries across Canada that the sentences are so light as to constitute an invitation to some inmates to follow the same course taken by those at Kingston, has the government communicated with the Attorney General of Ontario to suggest that there should be appeals taken against those sentences? While I have great admiration for Mr. Justice Henderson, judges do make mistakes.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the responsibility for instituting or not instituting any appeal in this case, as the right hon. gentleman suggested, lies with the Attorney General of Ontario. It is my understanding there was a communication between the Solicitor General of Canada and the Attorney General of Ontario but the Attorney General does not intend to appeal.

Mr. Diefenbaker: Mr. Speaker, this speaking appliance was not working for the latter part of the minister's statement.

Mr. Turner (Ottawa-Carleton): I said it is my understanding that there was a communication between the Solicitor General of Canada and the Attorney General of Ontario but that the Attorney General of Ontario does not intend to appeal the sentences.

POSSIBLE AMENDMENT TO ENSURE STRICTER CONTROL OVER GUNS IN LIGHT OF MURDER INCREASE

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, I have a supplementary for the Minister of Justice. In view of the increasing number of murders that are taking place in which automatic weapons are used, is the minister considering making amendments to the Criminal

Code in order to have much stricter control over these weapons and other types of guns which can be used to murder people?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I will take that into consideration but of course Parliament reviewed quite thoroughly the so-called gun law in the Criminal Code review in 1968-69.

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POLLUTION

DISCUSSION WITH PROVINCES TO ACHIEVE UNIFORM NATIONAL STANDARDS OF CONTROL

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, my question was for the Minister of the Environment but in his absence perhaps I could direct it to the acting minister or the parliamentary secretary. Since 250 employees now appear to be in danger of losing their jobs in Ontario because of an industry moving from that province to another where pollution control is less strict, is the government initiating talks with the provinces in an attempt to achieve uniform national standards to discourage actions of this type?

• (3:00 p.m.)

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): I will have to take this question as notice.

* * *

CONSUMER AFFAIRS

TAKE-OVER OF CREDIT COMPANIES BY U.S. FIRM—REQUEST FOR INVESTIGATION—PROTECTION AGAINST STORAGE OF FALSE INFORMATION IN DATA BANKS

Mr. James A. McGrath (St. John's East): I should like to direct a question to the Minister of Consumer and Corporate Affairs. In view of the recent takeover by an American firm of six Canadian credit companies after that firm had been served with an American federal court order forbidding the company to buy any more credit companies in the United States, can the minister tell the House whether his department is going to investigate these takeovers under the Combines Investigation Act and whether or not his department will review American controlled takeovers of Canadian data bank systems?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The Director of Investigation and Research under the Combines Investigation Act examines all takeovers to see whether there are any implications under the Combines Investigation Act, but naturally it is the practice in inquiries of this kind not to reveal the nature or details of the investigation that is in progress.

Mr. McGrath: I would ask the minister whether he would review this whole area of data banks, especially in light of takeovers by American companies of Canadian data banks, and would he give consideration to bringing in regulations or legislation to protect Canadians from false and often misleading information stored in data banks either in Canada or abroad?

Mr. Basford: Some provinces have legislated with regard to credit data banks or are proposing to legislate. On the transfer of material from this country to others it is a matter of great concern and one about which my colleague, the Minister of Communications, is concerned and has already made statements.

* * *

POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—RELEASE OF TECHNICAL STUDIES UNDERLYING ENVIRONMENTAL REPORT

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Prime Minister. It arises out of the statement made by the Minister of the Environment that the report on the James Bay environmental situation will be released. Would the Prime Minister undertake to make sure that when this report is released the full technical studies underlying this 40-page brief will be released to the public at the same time?

Right Hon. P. E. Trudeau (Prime Minister): I am not sure whether the hon. member is referring to a report made by the Quebec government or to the studies of the federal government. If it is the former—the hon. member is nodding his head—I cannot undertake anything on behalf of the province of Quebec, but I will ensure that they receive notice of the request of the hon. member.

* * *

FINANCE

INCREASE IN PRICE OF GOLD—POSSIBLE CHANGE IN EMERGENCY GOLD MINING ASSISTANCE REGULATIONS

Mr. Arnold Peters (Timiskaming): My question is for the Minister of Finance. In light of the fact that the United States has raised the price of gold to $38, is it the intention of the minister to change the regulations under the Emergency Gold Mining Assistance Act to provide the maximum benefit to those communities that are dependent on that industry?

Hon. E. J. Benson (Minister of Finance): We will have to take a look at this matter. We have not done so yet.

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GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENT—REQUEST FOR REPORT ON INVESTIGATION

Hon. George Hees (Prince Edward-Hastings): I have a question for the Prime Minister. On Thursday I asked the Prime Minister whether he could bring the House up to date on the results achieved by the investigation into the leak of the Gray report. He said he would look into the matter. I wonder whether, as a result of that investigation

into the whole matter, he is now able to bring the House up to date on the results that have been achieved during the five weeks since the investigation was started?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. After the question was asked I did have the matter looked into and I was told the investigation is still proceeding at the departmental level.

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ADMINISTRATION OF JUSTICE

BAIL REFORM ACT—DATE OF PROCLAMATION—INSTRUCTIONS TO POLICE FORCES

Mr. Robert McCleave (Halifax-East Hants): My question to the Minister of Justice involves the pending proclamation of the bail reform bill. First, I should like to ask the minister regarding the date of proclamation and, second, whether the hon. gentleman has worked out in co-operation with his provincial counterparts a common handbook or method of instruction to all police forces across Canada dealing with this act?

Hon. John N. Turner (Minister of Justice): The bail reform bill will be proclaimed as a statute on January 3. Yes, I have worked out with all provincial Attorneys General at a meeting with the uniformity commissioners in August and in subsequent communications in October the use of a manual prepared by the Royal Canadian Mounted Police which has been made available to all provinces that enjoy a contractual relationship with the RCMP. As for Ontario and Quebec, we have made the manual available to those two provinces to use as they see fit.

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EXTERNAL AFFAIRS

DISPOSITION OF FUNDS TO ASSIST EAST PAKISTANI REFUGEES IN INDIA

Mr. Heath Macquarrie (Hillsborough): I should like to ask the Secretary of State for External Affairs whether he is now in a position to answer my question of a few days ago regarding the government's projected program of aid for the suffering people of the Indian subcontinent.

Hon. Mitchell Sharp (Secretary of State for External Affairs): A series of discussions have been going on and I hope that before Parliament rises for the Christmas recess I will be able to make a report.

REPRESENTATIONS FOR RETURN OF SHEIK MUJIBIR RAHMAN TO EAST PAKISTAN

Mr. Heath Macquarrie (Hillsborough): May I ask the minister whether he intends to make or has made representations to the government of Pakistan for the return of Sheik Mujibir Rahman to the area which gave him such support not too long ago?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. I do not think it would be appropriate or particularly useful for us to make such representations at present. I have no doubt that in Pakistan very serious consideration is being given to the best way of promoting peace in that area and this will be one of the matters which will be given most serious consideration. After all, the Canadian government was probably the first of the governments to suggest that a political settlement was needed in East Pakistan.

BANGLA DESH—PROTESTS AGAINST ALLEGED ATROCITIES

Mr. R. N. Thompson (Red Deer): I wonder if the Secretary of State for External Affairs has taken any action on behalf of Canada in protesting against the cruelty and savagery that are taking place in the new country of Bangla Desh and whether or not any assurances have been received from the Indian government that atrocities will be kept under control?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I have not heard any suggestions that the Indian army itself is involved in anything except trying to maintain law and order and trying to suppress these atrocities. I do not know to which authority we could make these representations at present.

[*Later:*]

BANGLA DESH—POSSIBLE RECOGNITION BY CANADA

Mr. R. N. Thompson (Red Deer): I have a supplementary question to one asked earlier, and it is directed to the Secretary of State for External Affairs. If the Indian government is not responsible for the maintenance of law and order in Bangla Desh, can the minister inform us whether Canada has made any decision regarding the recognition of that country as India has requested?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker, the government does not intend to recognize Bangla Desh as yet; since we are not satisfied that there is a government in that area responsible for administration. As far as I can see, the principal control now rests with the Indian army itself.

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INDIAN AFFAIRS

ACTION TO BE TAKEN CONCERNING REMARK BY PROVINCIAL JUDGE

Mr. John Gilbert (Broadview): My question is directed to the Minister of Justice. In view of the representations by the Native Council of Canada to the Minister of Justice last Friday, and in particular the racial slur on all the Indian people in Canada made by Judge Collins in Sudbury, and in view of the statement of the Minister of Justice to the leader of our party a short time ago that he was looking into the matter, what action has the minister decided to take against Judge Collins for this slander against the native people of Canada? Does he intend to refer the matter to the Judicial Council of Canada for investigation and report?

Hon. John N. Turner (Minister of Justice): Since I replied in the House to the hon. gentleman's leader, as he puts it, I have received a report from Chief Judge Colin Bennett of the county and district courts of Ontario, enclosing the transcript and his report on the matter. I understand that a similar document was sent to the Attorney General of Ontario. The report is being analysed and I will be consulting with the Attorney General of Ontario as to what action, if any, should be taken.

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UNITED NATIONS

UNITED ARAB REPUBLIC RESOLUTION FOR MIDDLE EAST SETTLEMENT—CANADIAN POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a question for the Secretary of State for External Affairs. How did Canada vote at the General Assembly on the resolution proposed by the United Arab Republic for a possible Middle East settlement, and did Canada support the amendment to that resolution proposed by several African states, including Senegal?

Hon. Mitchell Sharp (Secretary of State for External Affairs): If the hon. member and I are referring to the same resolution, as I think we are, Canada abstained along with some 36 other countries. I cannot answer specifically the second of these questions, but if the hon. gentleman will allow me to take it as notice I will find the answer.

* * *

• (3:10 p.m.)

UNEMPLOYMENT INSURANCE

NEW PROCEDURE TO EXPEDITE PAYMENT OF BENEFITS—REQUEST FOR STATEMENT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Minister of Labour. I believe about a week ago he indicated to the House that a formula was being devised under which it was hoped that applications for unemployment insurance would be expedited and that an announcement to that effect would be made later. Has such a mechanism or formula been devised, and when can we expect a statement with respect to this very important and urgent matter?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I will be making a statement in a matter of a few days. A program has been devised to speed up the processing of claims as of January 15 when more computer time will be available.

EFFECT OF VACATION PAY ON RIGHT OF CONSTRUCTION WORKERS TO BENEFITS

Mr. Lincoln M. Alexander (Hamilton West): I have a supplementary question, Mr. Speaker, which arises from the brief recently forwarded to the minister by the construction workers. As a result of the meeting between the minister and the building and construction trades representatives last Friday, I believe, has the government agreed to amend the Unemployment Insurance Act and the regulations so that savings accumulated for annual vacations by construction workers will not deny or delay individual claims for unemployment insurance benefits? In other words, does the government intend to remove any reference to vacation pay denying or delaying the right of an individual to collect unemployment

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the underlying philosophy of the commission is that it is not a welfare program, and we are not persuaded by those people who suggest that when you are on vacation your vacation pay should be supplemented by unemployment insurance benefits.

[*Later:*]

DIFFICULTY IN PROCESSING CLAIMS IN EASTERN CANADA—POSSIBILITY OF PAYMENT BEFORE CHRISTMAS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, this is supplementary to the previous question asked of the Minister of Labour. I realize the minister is probably on top of this subject, and he is usually most co-operative in all these matters, but in view of the numerous telephone calls, letters and wires that we are getting from the eastern part of Canada in regard to the hold-up of payments of unemployment insurance benefits—I realize there have been difficulties in Moncton—would he make an extra special effort to see that as many cheques as possible are issued before Christmas?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, over the weekend we sent about 20 extra experts to the Unemployment Insurance Commission offices in the maritime area to do precisely that, to expedite distribution of cheques before Christmas.

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INCOME TAX

ALLEGED TIME LIMIT ON PROCESSING OF BILL BY SENATE

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a question to the President of the Privy Council. In view of the speed with which the Senate is processing Bill C-259, can he inform the House whether or not, when the bill was forwarded to the Senate from this chamber, a stipulated time limit for consideration of it was attached to the bill?

Hon. Allan J. MacEachen (President of the Privy Council): No, Mr. Speaker.

Mr. Speaker: I believe the hon. member for Oshawa-Whitby has a supplementary.

Mr. Broadbent: I wish to direct a supplementary question to the Prime Minister. In view of the Prime Minister's well known commitment to democracy, and in view of the—

Mr. Speaker: Order, please. The hon. member is now making a speech. Certainly, I had very serious reservations about the form of his first question but I allowed it. He is now making a speech. If he has a question to ask it should be asked directly. His preface goes beyond the terms of the procedural limitations.

Mr. Broadbent: I will come quickly to the point. In view of the speed with which the Senate is processing the bill, would the Prime Minister take steps in the early future that would result in the abolition of this absurd and undemocratic institution?

Mr. Speaker: Order, please.

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AGRICULTURE

DAIRYING—PAYMENT OF BUTTERFAT SUBSIDY TO CREAM SHIPPERS—POSSIBLE PRODUCTION INCREASE

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I have a question for the Minister of Agriculture. Since he has announced that the butterfat subsidy will be paid to cream shippers and that computers were used in tabulating this information earlier, can he give us an indication of whether there will be an increase in butterfat production as a result of this change in policy and how soon these retroactive payments will be made to those who have not been paid since 1967?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, payments will be made at the end of this dairy year, that is, around April 1, and they will be retroactive for the shipments that have been made all during the 1971-72 dairy year but only up to the amount that the quota was paid before. So far as the other part of the question is concerned, I cannot estimate the amount of additional butterfat that will come forward, but presumably there will be some.

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REGIONAL ECONOMIC EXPANSION

PULP AND PAPER—POSSIBLE MEETING WITH PREMIER OF NEWFOUNDLAND CONCERNING CLOSURE OF BOWATERS MILL

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. In commending him for his co-operation with the Premier of New Brunswick in analysing, identifying and alleviating the difficulties arising out of the partial closure of the Consolidated Bathurst Company operation in New Brunswick, I wish to ask him if he would advise the House whether he has had a similar meeting with the Premier of Newfoundland arising out of the difficulties surrounding partial closure of Bowaters Pulp and Paper Mill in Corner Brook?

Hon. Jean Marchand (Minister of Regional Economic Expansion): No, Mr. Speaker.

[Mr. Broadbent.]

Mr. Marshall: In view of the fact that the Corner Brook mill will be closing down one machine on December 31, resulting in a crippling effect on the economy and many hundreds of citizens, would the minister initiate a meeting with the Premier of Newfoundland, to include the Minister of Manpower and Immigration, to try to alleviate this problem?

Mr. Marchand (Langelier): Mr. Speaker, if the Premier of Newfoundland feels it might be helpful to meet with me I will be happy to meet him.

Mr. Bell: Who is the premier?

AID TO ACADIA FISHERIES PLANTS AT MULGRAVE AND CANSO

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I also have a question for the Minister of Regional Economic Expansion. Several days ago I had occasion to ask the minister a question concerning possible federal aid from his department for Acadia Fisheries plants at Mulgrave and Canso. Since that time there have been certain developments. One of the plants involved has been destroyed. Can the minister bring the House up to date with respect to what change, if any, there has been in contemplated federal aid?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I think one of the plants is likely to reopen. The other just burned down, and we have received no application for the second one.

* * *

FINANCE

EXCHANGE RATES OF CANADIAN AND U.S. DOLLARS—DIFFERENCE OF OPINION BETWEEN MINISTER AND SECRETARY OF THE TREASURY—FURTHER MEETINGS

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, pursuant to earlier questions I wonder if the Minister of Finance could comment on the substantial difference of opinion between himself and the American Secretary of the Treasury on the question of exchange rates between the Canadian and U.S. dollars?

Mr. Speaker: Order, please. The hon. member will realize that a question asked in those terms is hardly in order. The hon. member asks the minister to comment on a difference of opinion that may exist. In those terms the question cannot be allowed. The hon. member might like to rephrase it.

Mr. Anderson: Would the minister inform the House if he is planning further meetings with his American counterpart on this subject, and also whether he and Mr. Connally simply intend to allow events to take their course so that we will only find out from history who is right?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I do not think there was a joint statement issued by us in this regard. As I pointed out to the Leader of the Opposition, we are one of the few exchange markets open in the

world today, and the information I have is that the Canadian dollar is trading at its closing price on Friday last, so there has been no change so far in the price of the Canadian dollar vis-à-vis the U.S. dollar.

SPECIAL DEVELOPMENT LOAN FUND—ALLEGED INADEQUACY—REQUEST FOR ADDITIONAL AMOUNT

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the inadequacy of the special development loan fund to handle the federal-provincial winter works program, is he considering increasing the total amount of that special development loan fund?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker.

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FISHERIES

REQUEST FOR TABLING OF AGREEMENT WITH DENMARK

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Is the minister now in a position to table the agreement or exchange of diplomatic notes between Denmark and Canada which was brought to his attention on Thursday of last week?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the hon. gentleman asked me a question at that time which I was not in a position to reply to but I can do so now. An agreement has been reached at the official level *ad referendum*. I hope it will be coming before the cabinet in January.

FISHERIES AGREEMENTS WITH SPAIN, PORTUGAL, FRANCE AND UNITED KINGDOM—CONSULTATION WITH MARITIME PROVINCES BEFORE RATIFICATION

Mr. John Lundrigan (Gander-Twillingate): As a supplementary question, in view of the fact that Canada is also negotiating treaties with France, Spain, Portugal and the United Kingdom, would the minister agree not to proceed with formal ratification of those agreements until consultation takes place with the premiers of the four Atlantic Provinces?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker.

* * *

HEALTH

SHARED-COST PROGRAMS—PERMISSION TO PROVINCES TO OPT OUT

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Following the meeting last week with the provinces on the matter of shared-cost programs, will the federal government allow other provinces as well as Quebec to opt out, as requested by Ontario and Alberta?

• (3:20 p.m.)

Hon. John C. Munro (Minister of National Health and Welfare): No, Mr. Speaker, the conference was not on that question at all. That matter was clearly laid to rest at the first ministers' conference.

Mr. Stanfield: In what way?

[*Later:*]

Hon. Robert L. Stanfield (Leader of the Opposition): I have a question for the Minister of National Health and Welfare supplementary to his statement that the question of opting out by the provinces was laid to rest at the conference of first ministers. Could the minister indicate in what manner it was laid to rest?

Mr. Munro: Mr. Speaker, I meant that it was dealt with at that particular conference. The whole question of opting out did not arise at the health ministers' conference. The federal government heard proposals from the provinces and we countered with proposals of our own which they agreed to go home and consider seriously. None of these proposals included any discussion of opting out.

* * *

FAMILY INCOME SECURITY

FAMILY ALLOWANCES—TARGET DATE FOR INCREASES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): In view of the confidence expressed by the province of Quebec that they would be reaching agreement with the federal government with regard to the introduction of their family allowance program, is the minister now able to state whether he will be meeting the deadline of May 1 for increases in family allowance benefits?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, in view of the fact that, as I have stated, in all likelihood the legislation will not come on until the next session it would all depend on when it was passed and with what speed. It would seem rather difficult to adhere to that type of deadline.

* * *

ENERGY

RESUMPTION OF DISCUSSIONS WITH UNITED STATES—REQUEST FOR REPORT

Mr. Mark Rose (Fraser Valley West): I have a question for the Minister of Industry, Trade and Commerce but in his absence perhaps I could direct it to the right hon. Prime Minister. My question refers to the Canada-United States discussions on matters of energy exports which were adjourned, I understand, during the monetary crisis. I should like to ask whether these talks have been resumed or when they will be resumed?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I do not know when the talks will be resumed.

Mr. Rose: I wonder if I could ask the Prime Minister whether he is in a position to report on any developments arising from these talks so far and/or what Canada's stand is during these discussions, and can we expect a statement in the near future?

Mr. Trudeau: No, Mr. Speaker.

Mr. Speaker: The hon. member for Athabasca.

Some hon. Members: Hear, hear!

* * *

INDIAN AFFAIRS

STATUS OF WOMEN WHO MARRY NON-INDIANS—POSSIBLE AMENDMENT OF ACT IN LIGHT OF LAVELL CASE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, the hon. members are applauding because there is a growing body of evidence that the number of Conservatives in this country is increasing. I am very pleased to say that my wife and I feel we are contributing our small part to this process through the birth of our new son.

I should like to direct my question to the Minister of Justice. In view of the Ontario Supreme Court ruling that certain parts of the Indian Act are contrary to the Bill of Rights, in particular the part which provides that a woman loses her Indian status when she marries an non-Indian, in the interests of justice does the minister contemplate initiating any changes in the Indian Act?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, first of all I want to congratulate the hon. member but also to assure him that all the fertility is not on his side of the House. I would suggest to him that it is certainly one way to impress upon one's constituents that one gets home from time to time.

Mr. Speaker, the Lavell case has now been appealed to the Supreme Court of Canada and I think it preferable to await that judgment before deciding what ought to be done. If any amendments are to be made to the Indian Act, they will be the responsibility of my colleague the Minister of Indian Affairs and Northern Development.

FINANCIAL ASSISTANCE IN LAVELL APPEAL TO SUPREME COURT

Mr. Paul Yewchuk (Athabasca): I have a supplementary question for the Prime Minister which was originally intended for the Minister of Indian Affairs and Northern Development who is absent. Will any special funds be provided to Indian persons in this case to assist them in their Supreme Court hearing?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, having missed the first part of the question I cannot give the answer but I shall refer the matter to the minister.

Mr. Speaker: Orders of the day.

[Mr. Rose.]

• (3:30 p.m.)

GOVERNMENT ORDERS

WAYS AND MEANS

INCOME TAX LAW AMENDMENT ACT, 1971

The House proceeded to the consideration of a ways and means motion to amend the statute law relating to the Income Tax Act.

Hon. E. J. Benson (Minister of Finance) moved:

That it is expedient to introduce a measure to amend the statute law relating to income tax and to provide among other things:

(1) That with respect to taxable income earned after June 30, 1971, the tax payable under Part I of the said Act for the 1971 taxation year by every corporation liable to pay tax computed under section 39 or 69 of the said Act as it reads in its application to the 1971 taxation year be reduced by an amount equal to seven per cent of the tax so computed.

(2) That the tax payable under Part I of the said Act by an individual for the 1971 taxation year be reduced by an amount equal to one and one-half per cent of the basic tax referred to in subsection 33(1) of the said Act as it reads in its application to the 1971 taxation year.

(3) That there may be deducted in computing the income from a business of a taxpayer for a taxation year under Part I of the said Act an additional amount equal to sixty per cent of any expenses certified by the Minister of Manpower and Immigration to have been incurred by the taxpayer in the period commencing on November 1, 1971, and ending on March 31, 1974 as salary or wages of persons employed by him, under a "training on the job program" as defined in the said measure, except that where any amount has been paid or has become payable to the taxpayer under any such program providing for direct payments to the taxpayer in respect of any such expenses so certified to have been incurred by him, no deduction may be made in respect of those expenses in computing his income from the business but the amount so paid or payable to him shall be exempt from income tax.

Motion agreed to.

* * *

INCOME TAX LAW AMENDMENT ACT, 1971

Hon. E. J. Benson (Minister of Finance) moved that Bill C-275, to amend the statute law relating to income tax, be read the first time and printed.

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

* * *

EXCISE TAX ACT AND OLD AGE SECURITY ACT

Hon. E. J. Benson (Minister of Finance) moved that Bill C-260, to amend the Excise Tax Act and the Old Age Security Act be read the second time and referred to the Committee of the Whole.

Mr. Lambert (Edmonton West): I rise on a point of order, Mr. Speaker. I do not know just how this came about, but I would refer the hon. minister and the Chair to Bill C-260, section 3 which is not in conformity with the ways and means resolution. Paragraph 1(a) of the ways and means

resolution, which appears at page 12 of *Votes and Proceeding* for June 18, 1971 reads as follows:

section 5 of Schedule I thereof be repealed.

Section 3 of the act reads as follows:

Section 4 of Schedule I to the said act is repealed.

On the night of the budget debate, the minister indicated that he was removing the special excise tax as it applied to those items which appear in section 5 of schedule I to the Excise Tax Act. That is quite understandable because we know that those items related to stereophonic and electronic equipment. However, I do not think that the minister wishes to delete, coin vending machines from the tax provisions.

I have a copy of the office consolidation of the Excise Tax Act. Schedule I, paragraph 4 reads:

Coin, disc or token operated games or amusement devices of all kinds 10 per cent.

I do not think the minister meant to remove the 10 per cent excise tax on slot machines, which may be what is being done by this bill. I therefore, think that perhaps the item on the order paper should stand, in order that it may be examined with a view to seeing how the government is to get out of this little mess. I know that this is a technical matter, but the bill either conforms to the Ways and Means resolution or it does not, and this bill does not.

Mr. Benson: Mr. Speaker, I will be pleased to look into this matter. Section 4 of Schedule I of the said act is repealed. Section 5(a), (b), (c) and (d) deal with phonograph record playing devices, television receivers, electron tubes, cathode ray tubes, and so on.

Mr. Lambert (Edmonton West): Perhaps the copy I have is completely out of date, and perhaps these sections have been completely renumbered. If that is the case, I am prepared to accept the minister's explanation. I was not aware that we had eliminated paragraph 4 of any of the preceding paragraphs on a prior occasion. So far as I am concerned, slot machines are still covered by the excise tax. Perhaps the minister could explain this.

Mr. Benson: Mr. Speaker, as I said, I will be pleased to look into the matter. The information I have is that section 5, Schedule I, includes items which I indicated under (a), (b), (c) and (d). If we could proceed with the bill, I will look into the matter. I am told that the bill is correct, as worded. It is correct, according to the present act.

Mr. Lambert (Edmonton West): Then, the Ways and Means resolution must be wrong. It is either one or the other. One refers to section 5 and the other to section 4 of schedule I of the act.

Mr. Knowles (Winnipeg North Centre): That is about par for the course for this debate.

Mr. Lambert (Edmonton West): Either the Ways and Means resolution is wrong, or the bill is wrong. I am asking the minister to let us know which one he is going to abide by.

Mr. Benson: I will abide by the bill.

Mr. Lambert (Edmonton West): We have already passed the Ways and Means resolution and we may be in the same kind of mess that we were in with regard to the tax bill.

Mr. Speaker: I appreciate the point raised by the hon. member for Edmonton West. I certainly have no idea about the actual situation. I would have to read both the Ways and Means resolution and the statute which is to be amended by this bill in order to determine which one is right and which one is wrong. The minister appears to wish to make a further contribution to the debate.

Mr. Benson: Perhaps I should refer to the Revised Statutes of Canada, 1971. I think the hon. member for Edmonton West (Mr. Lambert) was referring to the previous statutes, from which this wording was taken. We are dealing with the Revised Statutes, 1971, and we are amending section 4 of Schedule I of the existing act.

Mr. Speaker: Order, please. The matter could be looked into. In the meantime, there can be consultations with the parliamentary counsel and officers at the table to see whether the matter can be cleared up in some way. If we need to make technical changes or procedural changes because an error has been made, I am sure hon. members can devise a way to achieve that end.

Mr. Lambert (Edmonton West): Mr. Speaker, I wonder whether there will be a further statement by the minister or his parliamentary secretary in order to amplify the remarks that were made on budget night. After all, these items were not among the more important ones of the budget because Bill C-259 was, shall we say, Schedule A in the Ways and Means motion. Nevertheless, these items certainly are important. I wonder if the parliamentary secretary or the minister could deal with the problem raised by the Ways and Means resolution?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I do not have a lengthy comment to make on the bill at the present time. It contains three amendments of substance to the Excise Tax Act. There are also amendments to the Old Age Security Act and to the Excise Tax Act in order to provide that the 3 percentage point of sales tax now imposed as an Old Age Security tax will, in future, be imposed under the Excise Tax Act. The amendments planned to the Excise Tax Act provide, first, that machinery and apparatus sold to or imported by manufacturers or producers for purposes of reducing pollution are made exempt from sales tax; second, margarine and similar spreads are made exempt from sales tax and, thirdly, the special excise tax of 15 per cent on radios, television sets and electron tubes, is repealed. In addition, a technical amendment to the Excise Tax Act provides that a sales tax exemption for goods described in tariff item 69520-1 will remain as it was before the wording regarding this tariff item is changed by the bill to amend the customs tarrif.

The amendment to the Old Age Security Act will repeal the 3 per cent Old Age Security tax on sales imposed under that act. However, these 3 percentage points of tax will in future be imposed under the Excise Tax Act and this change will not result in any change in the total rate of sales tax.

Hon. Marcel Lambert (Edmonton West): Well, Mr. Speaker, I think we shall have a slow and desultory discussion on this particular bill. These items were introduced so long ago that I think most members of the House have forgotten that these measures actually exist. They have now come back to be considered at, shall we say, the fifty ninth minute before midnight.

The amendment is designed, first of all, to remove the excise tax on margarine. I remember thinking at the time of the budget that perhaps a freer use of margarine might make the contents of the budget and subsequent bills slide down, so to speak, a lot more easily. In any event, there will not be much saving. It is a question of whether or not savings that might have been effected by the manufacturers and retailers have been passed on to the consumer. Whether or not that saving has been passed on is a good question. We do not know whether the price of margarine reflects the exact change that was introduced in the budget. I have not canvassed the market to see whether the price of margarine is lower than it would have been if this particular provision had not been included in the budget. I thought the tax on margarine was an unsound tax and I am glad to see that it has gone. I thought it was an anachronism to have such a tax on a generally accepted foodstuff. It was imposed in the past in order to protect the dairy industry. I recall many years ago reading of the initial results of the bill that was brought in to this House from the other place and sponsored, I believe, by Senator Isnor. That bill legalized the sale of margarine in this country.

The one item I wish to talk about is the elimination of the excise tax on those items that are enumerated under paragraph 5 of the Ways and Means motion or section 4 of the bill. I believe the minister has given me a proper private explanation. The existing bill has come about as a result of the proclamation of the Revised Statutes of Canada, 1971. The ways and means motion was based on the law as it then existed. This House passed the ways and means resolution on the law as it then existed, but sometime around July 15 the Revised Statutes of Canada 1971 were proclaimed. This effected a consolidation of what had heretofore been paragraph 5 of Section 1. It is now paragraph 4 of Section 1.

• (3:40 p.m.)

I think the point of order I raised has now had sufficient explanation. The question is, did the removal of the excise tax on these particular items, phonographs, record playing devices, radio-broadcasting receiving sets and combinations of these, television receiving sets, electronic tubes and other related items, have the effect which the minister hoped? I would like to have some information on this from the parliamentary secretary. Perhaps when we are discussing this in detail he will be able to tell us what expansion there has been of the market for the sale of these particular electronic devices. Have television sets sold in greater numbers? Has the price come down to reflect the removal of the sales tax, not 15 per cent of the retail price but 15 per cent of the manufacturer's price? If there has been a reduction in price, has there been a stimulation of sales? If there has been a stimulation of sales, has this been reflected in an increase in domestic production as hoped for by the minister? It will be the height of folly if, by the removal of this tax, all we do is stimulate the Japanese television industry. This could really be the result.

As we know, there are any number of television sets sold in this country under perfectly good Canadian names? The people believe they are made in Canada. However, they are actually made in Japan. If there has been an increase in sales as a result of the removal of the 15 per cent sales tax at the manufacturer's level, and we have seen no increase in production by Canadian manufacturers, what is the purpose of the exercise? All we have done has been to offer to the Japanese electronics industry a potentially lower market price to further penetrate the Canadian market. We need a full explanation of this.

We like to see tax reductions. True enough, people with lower incomes may benefit to the extent that small radio sets will have the 15 per cent sales tax removed from them. They benefit to that extent. I suppose many of them buy television sets, perhaps not the more expensive makes, but are they Canadian made? It was claimed that this was to be a stimulus to make Canadian industry more competitive. If the sales tax is not payable on an imported set, the actual saving on the retail price of an imported set will actually be more than the tax on the manufacturer's cost because the sales tax is on the duty paid value. There is no mention about reducing customs duty on these particular imported sets. The sales tax is actually effected at a higher level on an imported set than on a domestic set. I repeat, I would like this information from the parliamentary secretary.

There is some shifting around. Instead of the 3 per cent sales tax imposed by the Old Age Security Act and earmarked for the old age security fund, we are now getting a flat 12 per cent sales tax. The minister or the parliamentary secretary should give the House a full explanation as to how the old age security fund is to be funded from the 12 per cent put into the consolidated revenue fund or whatever it may be. After all, the old age security fund was supposed to have been contributed to by all persons. It was deemed to be a pension based on a fund that was to be contributed to by all segments of the population.

If there is a 3 per cent sales tax specifically earmarked for the old age security fund, every person who buys commodities in the Canadian market, except for most food items and until June 18, margarine, will contribute to that fund. However, unless it is specifically earmarked for the old age security fund, then individuals will feel that as far as they are concerned, it is no longer contributory. The taxpayer had certain rights at one time, but no longer. Under Bill C-259, we have a completely all encompassing provision. The funding of the old security fund will be strictly from the consolidated revenue fund. Presumably, it will be on an as needed basis.

There has been a removal or an expansion of the removal of sales tax on anti-pollution equipment. To that extent I say congratulations to the government. We can easily encourage much more anti-pollution effort by the way of incentives such as the removal of tax on certain equipment that will be used to control pollution, particularly in water and in the air. I suppose one could say that the proposals of this bill are counterproductive. They remove the sales tax on certain radios and other electronic equipment which, frankly, are among the greatest noise pollu-

tants in this modern day. As a result, we are now asked to remove sales tax from equipment which will be used to control or eliminate pollution. Noise pollution is not mentioned in this particular section, otherwise they might double the tax on certain types of transistor radios and a few other loudspeaker items, particularly on those loudspeakers which amplify so-called musical sounds and which will crack glass and split plaster.

• (3:50 p.m.)

I feel there is a great deal to be gained by extensive discussion on second reading. I have drawn attention to the areas with which I should like the parliamentary secretary to deal. Then we shall proceed, in due course, to committee of the whole.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the parliamentary secretary has pointed out, the substantial part of this bill is to be found in those clauses which remove the excise tax from certain indicated commodities. For the most part, we welcome these changes. But in any case the discussion of the changes with respect to the excise tax on commodities will be entered into by two or three of my colleagues. I propose to spend my time on the second reading of this bill on the part of the measure which the parliamentary secretary said involved no real change, namely, that part dealing with the amendments to the Old Age Security Act.

I think it is necessary to relate the provisions in this bill, Bill C-260, in this regard, to the provisions of Bill C-259 which also have the effect of amending the Old Age Security Act. If we put these two together, clause 3 of C-259 and clause 5 of C-260, as well as some of the other clauses in this bill, we find that a substantial change is being made with regard to the manner in which taxes are collected for old age security. Although I accept the word of the parliamentary secretary to the effect that substantial tax changes are in the other parts of this bill, I think something substantial is being done with regard to the method of financing old age security.

Whenever taxes are eliminated or reduced one is usually expected to applaud. I might go further and say that when a change is made from a regressive to a progressive form of taxation one is expected to applaud. If I thought this was all that was happening in this case I would make my applause very evident, and sit down. But I confess I am consumed with a deep suspicion as to what is happening in connection with this matter. My suspicion is heightened by the fact that the Minister of Finance (Mr. Benson) in his budget speech of June 18, did not make a single reference to this matter. He did not even say a change was being made. Only the tabling of the ways and means motion drew it to our attention. I thought the hon. gentleman presenting this bill on behalf of the government might have explained why this change in the method of taxation relating to old age security was being put into effect. But not a word was said. I did not even find anything about it in the red book containing a summary of the changes made in our tax legislation—if the hon. gentleman can tell me I have missed it, I shall be pleased to accept that advice.

Up till now, money has been obtained from the old age security fund—from which payments of old age security benefits are made—from three sources of taxation. There has been a 4 per cent tax on personal income with a ceiling of $240 a year as the most which can be paid. Second, there has been a 3 per cent tax on corporation income, and, third, there has been a sales tax of 3 per cent for old age security purposes. That 3 per cent has been part of the total sales tax, whether it is 11 per cent or 12 per cent, depending on what commodities are in question. In any event, the revenue from these three percentage points of sales tax has gone into the old age security fund. The Old Age Security Act has provided that in the event of there being a deficit in the old age security fund the Minister of Finance can make certain loans to the fund, and so on, but this has not happened for a long time. As a matter of fact, the fund was running with a credit balance of $687 million as of October, 1971, the last figure available to me.

I should like to make it clear that we opposed from the start the regressive nature of much of this old age security taxation. We felt it was regressive to impose a flat tax of 4 per cent—first it was 2 per cent, then it was 3 per cent, and latterly it was 4 per cent—on all income rather than impose a graduated tax. We pointed out that this had the effect of placing a disproportionate burden on those in the lower income brackets. We had no quarrel with placing a 3 per cent tax on corporations, but we did object to the sales tax being used, because, again, we felt this was taxing those in the lower income brackets to a disproportionate extent. This having been our position and since it has also been a fact of history that we have repeatedly tried to get the ceiling raised, I can understand that hon. members opposite will say: why are you now complaining when the 4 per cent tax on personal income has been removed, when the tax on corporations has been removed and when the three percentage points which were collected for old age security will no longer be collected for that purpose? The reason I am questioning all this is that I have been around here for a while and have learned to be suspicious of things that Liberals do, at least when they are in power. I find myself applauding the Liberals very strongly if they are on the opposition side of the House, but when they get over on the government side they do some strange things.

• (4:00 p.m.)

I think it is necessary that I point out that when the present Old Age Security Act was passed in 1951, and became law in 1952, it was passed on the basis of a report made by a joint committee of the Senate and House of Commons, a report on old age security tabled on June 28, 1950. I well remember the work we did in this committee. Some very distinguished people were members and I think the committee did an excellent job. It was this committee that recommended the removal of the means test from the old age pension, which was to be paid to everyone at age 70, which was the figure then, and amounted to $40 a month, as well as providing old age assistance for those between 65 and 69. I am happy to say that we have done a good deal since then in terms of improvement, such as getting the amount up and the age limit down. But the heart of our report of 1950 was its recommendation of universality.

In the course of our recommendations we dealt with the question of how the new universal pension was to be financed. At page 110 of the report, paragraph 64 reads as follows:

> The Committee is in favour of the contributory principle, not only because of the importance of this in raising total moneys required, but also because of the importance of establishing a close association in the mind of the individual between his contribution to the cost and the ultimate benefit he is to receive.

Although the members of the committee differed as to the rates of tax that should be imposed and that sort of thing, we were unanimous that there should be a contributory element in paying for old age security so that the Canadian people would know that they had contributed toward their pension and would be able to say the pension was theirs as a matter of right. Just interrupting my train of thought for a moment, since I am looking at this report perhaps I might also say that the committee in 1950 realized that in order to put in this kind of scheme a contributory arrangement it could well be necessary to amend the British North America Act. This was dealt with in paragraphs 71 and 72 of the report, and as a result of this recommendation an amendment to the British North America Act was passed. We now have section 94, which makes it possible for the federal Parliament, as well as the provincial legislatures, to legislate in the field of old age pensions.

The reason we made this recommendation, and that Parliament accepted it in 1951, was that we were making this change. Previous to that time old age pensions under the previous Old Age Pensions Act were simply paid out of the general revenue; there was no contributory element at all, and therefore no special authority was required. However, it was fully accepted that if we were going to establish a contributory relationship there would have to be authority for it in the British North America Act. This recommendation was made in 1950, and as I say it was accepted by Parliament in 1951.

So that from that time until the present the principle, the philosophy, the rationale, has been clear: the Canadian people make payments that are earmarked for old age security, and those payments go into the old age security fund. It is true that accounts for each individual are not kept separately, as is the case with the Canada Pension Plan, but the contributory relationship is there since all our people have made payments. Therefore, when the time comes to draw his pension each Canadian can say that this pension is his as of right, that he has paid for it not only by his contribution to the economy of the country as a whole but by the specific taxes he has paid.

I may say that this is further confirmed by a few of the statements made in the white paper entitled "Income Security for Canadians" which the Minister of National Health and Welfare (Mr. Munro) tabled in the House toward the end of 1970. At page 24 of the white paper the following statement appears:

> Yet it would not be easy simply to scrap these programs.

One of the programs referred to there is old age security.

> Many people have tailored their retirement incomes and made their retirement plans in the expectation that the Old Age Security pension would be paid them from age 65 on. This program has almost the nature of a separate social contract between the state and its citizens. It has been financed in part since 1952 by a highly visible earmarked personal income tax. It provides the basis for the retirement plans of almost all Canadians regardless of income levels. Private pension arrangements, and the Canada and Quebec Pension Plans, have built benefit structures on the assumption that this payment will be made.

I realize that in that paragraph the minister was dealing with certain other arguments, but he confirmed the philosophy, the rationale, that is behind old age security, namely that there are earmarked payments going into the old age security fund, and that all our people have the benefit of a social contract. People can say, when it is time for them to go on old age pension, that the pension is theirs as a matter of right.

At page 42 of this same white paper, referring to suggestions that some people were making that the Old Age Security Act might be wiped out and replaced by something else, the white paper has this to say:

> To withdraw it now would force a reconsideration of retirement benefit levels under those Plans.

The reference there is to the Canada and Quebec Pension Plans. I continue:

> Many people have planned their retirement on the expectation that they will get Old Age Security at age 65, and to deny them this benefit would be extremely unfair and a breach of faith. Personal income taxes as well as other earmarked taxes have been collected from people since 1952 to finance this program, establishing an expectation and a right to the pension. Under these circumstances, action to restrict the program's universality would be difficult to justify.

In that statement the Minister of National Health and Welfare fends off any suggestion to do away with old age security for, among other reasons, the important one that it is a social contract, that there is an element of faith, that people are making earmarked payments and therefore have a complete moral right to draw their pensions, and to enjoy them, as I say, not as a form of charity but as a matter of right.

If we were dealing with the question of rates, it is quite true that I would still have something critical to say about the ungraduated nature of the tax, the regressive nature of the sales tax, and so on. However, I am dealing with the basic principle whether or not there should be a contributory relationship between the taxes people pay and the old age pension that they draw. When all the changes are made that are now in contemplation, those that are in Bill C-259 which has gone over to the other place and those in this bill now before us, there will not be any more earmarked taxes going into the old age security fund.

• (4:10 p.m.)

My friend, the hon. member for Edmonton West (Mr. Lambert) expressed the hope that someone speaking for the government would tell us what is going to happen. I had hoped that explanation would be given before we became involved in this debate. This is part of what bothers me, the silence on this issue. No one has attempted to explain it. With all respect to my good friend the parliamentary secretary who did a good job in defending the government's position on Bill C-259, this should have been a ministerial statement. The Minister of National Health and Welfare (Mr. Munro) should be here, too, because what will happen is that the entire section 24 of the Old Age Security Act will be wiped out. That is the section

which provides for the collection of the three taxes, the personal tax, the corporation tax and the sales tax.

The section that provides for an old age security fund still exists. It is there. There is still to be a fund into which certain money will go and out of which pensions will be paid. What money is to go into that fund? So far as I can ascertain, the only money to go into that fund is that which is referred to in clause 3 of Bill C-259 which says that once a year the Minister of National Revenue shall make an estimate concerning how much would have been collected in personal and corporation income taxes if the old earmarked law had been in effect. That estimate having been made, that amount of money is to be turned over by the Minister of Finance (Mr. Benson) to the old age security fund. There is one sense in which I like that and I believe I said so in respect of Bill C-259. This means that the money put into the old age security fund will be collected out of general revenue coming more along the line of ability to pay than in the other way. What bothers me, however, is that there is no money going into the old age security fund which individuals can say is money they put there. There is no earmarked contribution whatsoever.

As I say, according to clause 3 of Bill C-259 the Minister of National Revenue is required to make an estimate of how much would have been collected had the old law been in effect. But the old law in that respect is confined to the personal and corporation income tax. There is nothing anywhere which says that anything which would have been collected under the sales tax is to go into the old age security fund. So, from here on the only money going into the old age security fund will be the estimate of what would have been collected from the personal and corporation income taxes. To me there are two or three dangers about that. In the first place, there will be less money. After all, the take from only two taxes will be less than that from three taxes. Second, the earmarked situation, the clarity of relationship, will be gone. Third—and this is what I am afraid of and this is why I am suspicious—it would seem to me the government could well be laying the foundation for being able to say a few years from now, "Oh, well, old age security is just paid out of general revenue and this notion you used to have that you were entitled to it because of contributory payments is gone."

This will put the government in the position of being able to play fast and loose with the whole question of old age security and even abolish its universality. I hope I am wrong in this suspicion, but if there is good reason for all of this, if there is a philosophy behind it which can be exposed, why did the minister not say so on June 18 or when we were debating Bill C-259, because part of this is in clause 3 of that bill, or why did he not say so today and why is not the Minister of National Health and Welfare here to tell us what he thinks about this. It is only a year ago that the Minister of National Health and Welfare tabled his white paper on income security for Canadians. He accepted the fact, and in fact asserted, that one of the cardinal principles of old age security is that it is a social contract, that there is an element of faith between the people and the state and that because of that social contract and because payments are made by individuals on an earmarked basis, they have the right to count on old age security always being there.

Entirely apart from arguments I might make about the desirability of increasing the basic amount of the old age security, which is presently $80,—and everybody knows where I stand on that—I think there is particular merit in the point made by the Minister of National Health and Welfare in his white paper to the effect that the Canada Pension Plan and the Quebec Pension Plan are based on old age security as a first deck. In fact, this was said at page 42 of the white paper:

> It is proposed that the old age security pension continue to be payable to people who meet the residence requirements when they reach age 65.
>
> For both the social insurance system and the guaranteed income system, the flat-rate old age security pension will continue to provide the base on which the second deck is built. In the former case the second deck is the earnings-related pension, in the latter it is the income-tested pension. But both are predicated on the continuing existence of the basic old age security payment for all who meet the residence requirements.

That is crucial and fundamental. Whatever changes we may make, whatever progress we may achieve in the field of old age security, we at least now have this basic first deck of $80 a month. Then we have the second deck, the Canada Pension Plan, and all the private pension plans and the other arrangements that people make. The Minister of National Health and Welfare was perfectly right in his white paper when he said that the people of Canada have a right to expect that first deck to remain. What was one of the main reasons he gave that we have the right to expect that first deck to remain? Because it was in the nature of a social contract and because the people are making earmarked contributory payments. To do anything to disturb that would be a breach of faith. Can you not see, Sir, that if all these earmarked taxes are removed, this philosophy begins to fade and a few years from now some government which wants to cut down on old age security, or put it on an income test, could say, "Well, it is just a payment made out of the general revenue". They would say there are no more earmarked taxes for it and so they are cutting it down. I think that before this debate is over we should have a statement on this. I would be quite happy to see my suspicions completely shot down, but they will not be shot down by silence on the government side but only by someone like the Minister of National Health and Welfare coming in and making clear that so far as he is concerned this change in the taxation basis for old age security does not have that kind of serious defect.

Back a few years, and in fact over a number of years, some of us argued that there was sufficient money in the old age security fund to pay much higher pensions under the Old Age Security Act. When we used to do that we were met with various answers. One was that the new programs that were being brought in, such as the guaranteed income supplement and so on, would soon eat up any surplus. But the figures I have on what is happening to the old age security fund show that over the past couple of years the balance at credit in that fund has not changed very much. It has gone in the last couple of years from a low of about $686 million to a high of about $730 million. But in round figures that is not much of a change, and if one looks at what happens each month, some months there is a surplus of collections over the amount paid out,

and some months the amount paid out is in excess of the amount brought in.

• (4:20 p.m.)

In other words, I think it is correct to say that at present the taxes coming in from the three sources just about equal what is required to pay, on a month to month basis, the old age security payments and the guaranteed income supplement payments that are also paid out of that fund. We have said in the past that with the extra $687 million that was there at the last report this could be used to increase the payments. The argument that it would be eaten up by the guaranteed income supplement has not worked out, so I suppose now the government feels it is better to cut this fund down so that we will not be able to continue that argument. If you take away these three percentage points of the sales tax, it will not be long before this fund starts to go down. Then we will get some minister of finance or some minister of national health and welfare coming before us and saying that the fund is dropping, that it is just a welfare measure anyway, and we can lose what is a very important social gain, namely old age pensions on a universal basis.

As I have said, if the government can come in with a ringing speech by the Minister of National Health and Welfare or the President of the Privy Council (Mr. MacEachen) who is the one who can ring the changes and bring down the rafters, and prove to me that my suspicions are completely groundless, I would be very happy. But it will take that to do it. Silence will not convince me; in fact, it is the silence that has disturbed me. Not a word has been said about this. The parliamentary secretary rose today with a statement which I suppose was prepared for him as a departmental explanation of what this is all about. It just says that some changes are being made in the three percentage points that had been collected under the Old Age Security Act which will now be collected under the Excise Tax Act. There was no explanation or defence of it. The Minister of Finance (Mr. Benson) said nothing about it on June 18 or when he introduced Bill C-259, and we have heard nothing about it today on Bill C-260. The whole question of the future of old age security is wrapped up in this. I imagine some members are wondering how a bill having to do with the Excise Tax Act produces all this discussion on old age security, but, as Your Honour has recognized, it is in the bill and it is a very substantial change which alters the whole base.

I remind you again, Sir, of the references which I have drawn to your attention. The basic philosophy was set out in the report of the joint committee of the Senate and House of Commons on Old Age Security in 1950. I remind you of the philosophy that was set out in the white paper tabled by the Minister of National Health and Welfare late in 1970 from which it was very clear that the reason people have the right to expect old age security to continue and the right to take these payments with a feeling of pride and honour is that, in addition to any contribution they have made to the economy as a whole, they have contributed earmarked taxes to a special fund.

I want to see some great improvements in the whole matter of old age security. I want to see the guaranteed annual income at a much higher level. I want to see it extended to certain groups, perhaps to housewives, to veterans, and to others whom I could name. But in the meantime let us not nibble away at what we have. I am afraid that the changes involved in Bill C-259 and Bill C-260 with respect to the financing of old age security have the effect of changing it from a contributory plan which gives all the rights there are to the people to a welfare plan because it will be paid out of revenues collected in a general way rather than revenues collected on an earmarked basis.

I know I am repeating myself but I feel very strongly about this. Everybody knows now how we pay old age security, out of the 4 per cent tax on personal income with a ceiling of $240 a year, plus a 3 per cent corporation income, plus the three percentage points that are built into the sales tax. The effect of these two bills will be to do away with the 4 per cent tax. There will be no more corporation tax, no more of any part of the sales tax going into the old age security fund, and therefore the whole position of people being able to say they are contributing to this pension which is theirs as a matter of right will be vitiated.

If the removal of the three percentage points from the Excise Tax Act so far as the old age security is concerned meant a reduction of the sales tax from 12 per cent and 11 per cent down to 9 per cent and 8 per cent, perhaps there would be something to crow about on the government side, but the sales tax rates are not being changed; the 12 per cent and 11 per cent continue. It does mean that the entire take from the sales tax will now go into the general revenue and none of it will go into the old age security fund. As I said a while ago, the removal of the personal and corporation taxes is at least matched by the requirement that the Minister of National Revenue once a year estimate what the take would have been. That much money must be paid into the old age security fund. But in the case of the sales tax there is no such provision. In other words, the government will have to put all the sales tax receipts into the general fund.

In so far as there is a shift from a regressive to a progressive way of taxation, of course I welcome it, and in so far as the personal income taxes that are used for this are those out of the general structure so that those in the upper brackets pay more than those in the lower, again I welcome that. But in so far as the contributing relationship is being completely wiped out, in so far as the philosophy of 1950 right down to 1970 is being denied by this legislation, I do not like it.

In due course we shall have the committee of the whole stage when we can consider the clauses, when the government can bring its people in here to answer questions, if it will and then third reading. I will be a very happy member if I can be shown that I am wrong, that I have nothing to be afraid of, but it looks to me as though the ground is being prepared for changes in the old age security so that it can no longer be said that individual Canadians have, among other reasons, the right to their old age pensions because they have contributed to these special funds.

The hon. member for Edmonton West (Mr. Lambert) says that this will just become a transfer of payments. As I said earlier, some of my colleagues will deal with the other phases of this bill. Some of them may deal with this phase as well, and I hope they will, but they will be

dealing with the changes of tax on spreads, on radios and televisions, on anti-pollution equipment, and so on. I want to say to the parliamentary secretary and to the government that I regard these changes being made in the methods of financing old age security as very important. I am disturbed most of all by the fact that, up to the present time, not one word has been said from the government side about these changes. We have a right to know what these changes really mean.

• (4:30 p.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to take advantage of this debate to make a suggestion to the government about Bill C-260.

I should like to bring up, in particular, two points concerning clause 4 on page 2 which deals with apparatus used in the fight against air and water pollution. I feel that the government could have, at the outset, gone a bit further in that field.

I have here a news release from the Canadian Federation of Mayors and Municipalities at the time when Mayor Marcel D'Amour was president, in which it was pointed out that the municipalities too have duties with regard to the fight against pollution of all kinds, but that up to now the federal government has failed to encourage municipalities willing to fight it.

I would add that the minister said in the House on June 18 that in order to favour the purchase of equipment used against pollution, he was going to remove immediately the sales tax on it. Such new exemption would apply, according to him, to all kinds of machines which manufacturers or producers buy for use in the detection, prevention, removal or reduction of pollution, but it would reduce revenues by about $8 million a year.

Mr. Speaker, I think that the Federation of Mayors and Municipalities has a part to play in that fight and that the government should have extended the tax exemption to the equipment which municipalities must use for that purpose.

I should also like to call the attention of the minister or of his parliamentary secretary to this point. They will have to read *Hansard* because I notice they are both absent from the House at this time. As reported in the press, they are fighting air pollution.

We all know that in the construction area, more and more people are using electricity for home heating. In the province of Quebec, Hydro-Quebec, which supplies electricity, is doing a great deal of advertising to push the use of electricity for home heating, since it is a way of fighting air pollution.

I have here an advertisement published in almost every newspaper; it appeared in *Montréal-Matin* of September 22 1971. I quote:

ELECTRICITY IS CLEAN

ELECTRICITY MEANS NO COMBUSTION, NO SMOKE, NO SOOT NO SMELL, CONSEQUENTLY NO POLLUTION. ELECTRICITY IN QUEBEC IS CLEAN AND EFFICIENT.

Hydro-Quebec researchers are continuously improving the methods for producing, transporting and distributing electricity. They are looking for new ways to use it. Everywhere the future is electric. Hydro-Quebec is working for you. Electricity is clean and efficient and it can be used in many ways.

Mr. Speaker, their publicity is trying to encourage people to use electricity to heat their homes, because it does not create pollution.

I know personally several people who reacted to that appeal and who switched to an electrical heating system or who are now installing such a system in new houses.

To my knowledge it costs some $500, $600 or even $700 to set up an electrical heating system in a house. People complain about the high cost of housing and the government, through the Central Mortgate and Housing Corporation, is trying by all possible means to reduce it. The Minister of Finance (Mr. Benson) should include in that clause of Bill C-260 a provision to exempt all materials used for electric heating systems in dwellings.

The construction cost of family dwellings could thus be reduced and the new owners would pay less for a house. The monthly payments would be decreased, because for an average 2 or 3 bedroom-house the taxes on building materials would be $75 or $100 lower.

Mr. Speaker, I urge this government to further consider this suggestion and to grant an exemption concerning electrical home heating. This would benefit all homeowners, all Canadian families and, at the same time, it would be an efficient way to fight pollution.

This government, the minister and his officials should, as soon as possible, consider this proposal. I myself have considered moving an amendment to Bill C-260 to that effect. But, after study, any amendment that I might have moved on that subject would have been ruled out of order.

That is why I shall wait for another opportunity to move an amendment or a motion on this subject.

In my view, the government should immediately give consideration to that possibility and, during the study in committee of the whole, we shall see if it is possible to move an amendment with regard to this matter.

[*English*]

Mr. J. H. Horner (Crowfoot): Mr. Speaker, at the outset I must say that I am slightly disappointed that many of the questions raised by the hon. member for Edmonton West (Mr. Lambert) and by the hon. member for Winnipeg North Centre (Mr. Knowles) have not been answered. Hon. members continue to wonder just what is the intention with respect to the actual application of the clauses in the bill.

Dealing first with clause 1, and the transfer of the 3 per cent from the sales tax to the excise tax, one wonders whether the suspicions of the hon. member for Winnipeg North Centre are well founded. I can recall that upon the introduction of the Canada Pension Plan there was much discussion on whether the old age security pension should be dropped since, with payment of the Canada Pension Plan benefits, it possibly could be eliminated. The Minister of National Health and Welfare (Mr. Munro) made a statement to the effect that today many old people consider that they have a contract with the state for the old age security pension and that this pension has been increased by the guaranteed income supplement. But one had to

contribute for ten years before qualifying under the Canada Pension Plan and had to contribute a minimum of five years before receiving even a portion of the moneys so contributed.

• (4:40 p.m.)

One cannot help but agree with the hon. member for Winnipeg North Centre that perhaps the transfer of moneys places some question on the contract with the state and whether the senior citizens of this country have a right to expect that the old age security pension will continue for many years to come. The hon. member suggested that he is all in favour of a guaranteed annual income, and perhaps this is the final answer. I am also concerned with the suggestion that it would be easier to eliminate the old age security pension if it were funded by payments from the Excise Tax Act into the Consolidated Revenue fund, but I do not think that the guaranteed annual income would be sufficient for many of the senior citizens today. It would pay an equal amount of money to everybody whether or not they were able to earn money and whether or not they had contributed over a long time through sales tax, personal tax and corporation taxes. I remember very well the debate on the Canada Pension Plan. At that time many government members suggested that the old age security pension could be eliminated. I do not think so, and I am suspicious that this might be the first step along that road.

I have other suspicions when looking at this bill, Mr. Speaker. One can wonder how much of the reduction of the tax on television sets, electronic devices and margarine is reflected back to the consumer. The hon. member for Edmonton West (Mr. Lambert) dealt with this at length but did not get a satisfactory answer. Has the Minister of Consumer and Corporate Affairs (Mr. Basford) and the government looked into this question? Has the price of margarine been reduced? I am inclined to think not, and that the 15 per cent reduction in sales tax on television sets has not been passed on to the consumer. Perhaps the manufacturer in some way is able to absorb this, though I do not think it was intended for his benefit alone but rather to stimulate business through the money being in circulation in one form or another.

I am also suspicious of section 2(2) which reads:

> There shall be imposed, levied and collected only six-twelfths of the tax imposed by section 27 on the sale and delivery of the articles enumerated in schedule IV.

In looking at the explanatory notes I believe, and I may be wrong, that this takes the place of the section which provides that there shall be imposed a tax of only three-ninths of the tax imposed by section 27. One does not have to be a mathematical genius to realize that three-ninths is one-third and that six-twelfths is one-half—a substantial increase in the tax levied on articles falling under section 27, schedule IV.

When one looks at schedule IV, section 27 of which deals with a host of implements and farm produce from alfalfa meal, dried or otherwise, to traction engine parts, the increase in the levy is the difference between six-twelfths and three-ninths. The section covers 25 articles. I cannot understand why there is not an explanation for the change from three-ninths to six-twelfths, and I think we must have the answer before much progress is made on this particular section of the bill. If it is merely a change in the wording, and not in the effect, perhaps the parliamentary secretary or the Minister of National Revenue (Mr. Gray) or someone from the government could say so. The parliamentary secretary can hardly speak for the government I suppose, but he is the only one who seems to be paying any attention to what is going on here. The government wonders why its bills do not get speedy passage but they allow the parliamentary secretaries to pilot the bills through in the absence of the ministers.

An hon. Member: Only four.

Mr. Horner: I did not catch that remark; speak a little louder.

An hon. Member: Only four Tories in the House.

Mr. Horner: I didn't know the Tories were responsible for putting forward this bill, Mr. Speaker. If we were there would not be so much confusion about it. The three hon. members who spoke this afternoon were not able to get any clarification. If the Tories had introduced this bill it would have been better drafted. There seems to be some response from the government side now, even though it is a bit meaningless. Perhaps they could clear up some of the points made by me and the three previous speakers.

• (4:50 p.m.)

I hope we shall be told how much money will be lost to the treasury as a result of the reduction of the tax on margarine. Actually, that tax is to be eliminated. How much will the treasury lose as a result of the removal of the 15 per cent sales tax on electronic equipment such as television sets, phonograph playing devices and so on? Perhaps the government could also clarify something with regard to the Old Age Security Act. Is this bill the first step towards removing the payment of old age security pensions? People will have to pay for years into the Canada Pension Plan. As soon as people reach pensionable age, they are entitled to draw benefits under the Canada Pension Plan. Will there be some hocus pocus, some playing around with figures and the guaranteed annual income, which will remove benefits that are available to our senior citizens. Is any strategy afoot that will take away these pensions from people who have contributed to them? I hope not.

Remembering what went on when the Canada Pension Plan was introduced, I can only suspect that this bill is the first step towards removing the old age security pension paid to many of our people. Our senior citizens have made major contributions to their pension fund by way of the sales tax. They have contributed 4 per cent of their personal income tax and there have been contributions from corporations in the form of tax. By these means, sizeable contributions have been made to the old age security fund. Our elderly people have a right to expect that, when they reach pensionable age, they will be able to draw benefits from that fund. They expect the state to honour a contract to which it has committed itself. Therefore, any suggestion of this contract being done away with should be squelched immediately.

A long time ago the hon. member for Winnipeg North Centre dealt with this subject at length. He begged the President of the Privy Council (Mr. MacEachen) to make a

resounding speech to reassure the House that the government had no intention of doing away with the old age security pension. The President of the Privy Council, who was in the House at the time, did not rise to the occasion. I believe another minister was also present in the House at that time, and he failed to reassure the House. The parliamentary secretary to the minister did not reassure us. If the government wants to make good progress with this bill I hope, before too many hon. members have spoken on it, that answers will be forthcoming to questions hon. members on this side of the House have raised. That is what the government must do if it expects quick passage of this confusing piece of legislation.

Mr. Mahoney: On a point of order, Mr. Speaker; since I have already spoken in this stage of debate I cannot, of course, speak again, and I certainly am not in a position to answer questions at this time that may be asked by hon. members on the other side of the House. I wonder how the remarks of the hon. member relate to Schedule IV of the bill, to the Excise Tax Act and to the products and equipment mentioned there. Schedule IV of the Excise Tax Act I have in front of me refers to articles manufactured or produced by the labour of the blind, deaf and dumb. I am having difficulty relating these items to what the hon. member has been talking about.

Mr. Horner: That is all the more reason for explaining the provisions regarding six-twelfths and three-ninths.

The Acting Speaker (Mr. Laniel): Order, please. I understand the difficulties of the parliamentary secretary. I suggest that perhaps his colleagues could help him. However, I cannot allow him to intervene again in this way. It would be inappropriate. According to my interpretation, such intervention would be tantamount to a second participation in the debate.

Mr. Mahoney: Mr. Speaker, I was merely asking the hon. member a question, or I was trying to ask him a question. I wanted to relate what he was saying to the amendment to the Excise Tax Act.

Mr. Doug Rowland (Selkirk): Mr. Speaker, Bill C-260, which is before us, is an attempt to put into effect the measures heralded in the mini-budget speech of June 18. That speech was made by the Minister of Finance (Mr. Benson). The bill is divided into two sections. One section deals with amendments to the Old Age Security Act and the other removes from the excise tax list certain commodities. The tax reductions indicated in this bill are, generally, welcome. I say that on behalf of members of this party. I will return to the subject in a moment.

First, I should like to spend a few minutes on the section which deals with the amendment to the Old Age Security Act and which removes the 3 per cent of sales tax which has hitherto been earmarked for the old age security fund. That 3 per cent of sales tax revenue is now to be applied to general revenues. The hon. member for Winnipeg North Centre (Mr. Knowles) dealt at some length with his suspicions regarding this particular provision. He went into detail, and I do not intend to go into the same kind of detail in my remarks. I simply want to second what he said. Until the present time, the money necessary for payments under the Old Age Security Act has been collected from three sources: first, from the 4 per cent of personal income tax, the ceiling being $240, which money was paid into the old age security fund; second, from the 3 per cent levy on corporation taxes, which money was paid into the old age security fund; and third, from the 3 per cent of the sales tax levy which, again, was paid into the old age security fund.

We, of this party, have on numerous occasions opposed the regressive nature of two of the sources of income for the old age security fund, namely, the virtually flat rate levied on personal income and the 3 per cent sales tax. We have argued that these taxes were of a regressive nature. Nevertheless, we have always applauded the idea that there ought to be sources of income specially earmarked for payment into the old age security fund, so that it would be patently clear to all concerned that the old age security pension is paid to persons over 65 as of right. They have contributed to the fund during their working years in order to be assured of a pension in their retirement years. The old age security pension is theirs as of right, and the whole matter thus takes on the aspect of a social contract. We have always applauded that fact, even though we may not have approved of certain means used to raise that revenue.

Now, Bill C-259 will remove effectively the 4 per cent of personal income tax that is paid to the old age security fund. That bill will remove the 3 per cent corporation tax contribution which is paid to the same fund. Bill C-260, which we are examining this afternoon, will remove the 3 per cent of sales tax which was formerly paid into the old age security fund. The fund will now be supplied with moneys out of the general revenues, and will receive an income which will be computed on the basis of the taxes that would have been collected if provision for collecting them had still been in effect. That is how the money will be paid and, thus, the contributory nature of the old age security plan will now disappear. As I suggested earlier, the idea of a social contract as between the citizens of this country and the government will also disappear and I am worried, as is the hon. member for Winnipeg North Centre, about the implications that this move may have for the pensioner. Are we to take it, now that the money for the old age security fund is to come out of the general revenues, that at some future date the government can come to this House and say that since the old age security pension is not a contributory scheme, since it is not a matter of social contract, that it is not paid to pensioners as of right and that the government, therefore, wishes to take that pension away? May I remind the House that one year ago, I believe, the amount of the old age security pension was frozen at $80 per month. That seemed to be the first step to removing the pension entirely. This bill may be the second step. The third step may be taken I do not know when. I hope the government does not intend at some time in the future to end the old age security pension. I hope that some one will get up and tell us that the government does not so intend. The thought that universal pensions may be terminated is very disquieting, and my colleague from Winnipeg North Centre and I are afraid this might happen.

One of the outstanding benefits of the old age security pension was this: it was paid on a demogrant basis. It was paid, as of right, to the senior citizen who had attained a

certain age. The receipt of that pension was a source of pride. Previous to the Old Age Security Pension becoming universal, a person called himself a pensioner with great reluctance. A pension smacked of welfare. Once it became a demogrant and he contributed to it, it was a source of pride and dignity for the pensioner. Pensioners in this country could organize themselves to come to the government and demand the aid from their fellow citizens which they required and which was their right. They were able to do it on the basis of being pensioners. Their confidence arose from the fact the pension was paid to everyone as a right. If that is to be changed, I suggest it is a retrograde step. If it is to be changed in order to eventually remove the pension paid on a demogrant basis and if all pensioners are going to have to rely on the Canada Pension Plan, private plans and the guaranteed income supplement which is based on a needs test, we have taken a backward step. I hope someone from the government will assure this House that is not their intention and state the philosophy behind these tax changes.

• (5:00 p.m.)

I now turn to the other portion of the bill which deals with the removal of the excise tax from certain commodities. Before dealing with each of the specific items, I wish to make one general statement. In my remarks I will be repeatedly referring to the need for monitoring devices once the tax is removed. I make that demand for two reasons. First, I want to ensure that the benefits of the removal of the tax is passed on to the consumers through reduced prices of goods. The second deals with one of the major problems which every nation has had in managing its economy, that is, attempting to manage the economy through fiscal policies, the manipulation of taxes, which has been largely a by guess and by God operation. No one is ever quite certain what happens when you remove or increase a tax. Here is a real opportunity to do some monitoring and get some hard data about what actually happens when a tax is removed.

These excise taxes were removed effective June 19. We have now had almost six months to monitor the effect of the removal of the taxes to see if the removal did result in added industrial activity, added consumption of goods and more money being put into the economy thereby generating new activity. We have had that occasion presented to us. I hope the government has made use of it. I will be asking the same question again and again when I come to the individual items under these sections of the bill. It is necessary that we undertake such monitoring and collect the hard data about what happens when a tax is removed if we are to effectively use our fiscal policies in the future. I will now deal with the items.

The bill provides for the removal of the excise tax on margarine and similar products. As I indicated in my general remarks, I would like to know whether the removal of the excise tax has been passed on as a saving to the consumer. I received a letter from the Edible Oils Institute in which the Institute extended its thanks to the members of this House for removing the sales tax on edible oils. The Institute gave an undertaking that the saving would be passed on to the consumer. I have no way of knowing that has taken place except by sending my wife out periodically to see whether margarine has gone down in price.

[Mr. Rowland.]

There is available to the government an excellent way of monitoring to see if the removal of the excise tax has actually resulted in savings to the consumer. That way is through the monthly pricing surveys conducted by Statistics Canada. There are large numbers of people employed by Statistics Canada who go to the shopping centres and small grocery stores every month to see what is happening to the prices of various goods. It would take very little effort on the part of the Department of Finance to ask Statistics Canada to make a special effort to price margarine to see whether the saving resulting from the removal of the excise tax is being passed on to the consumer. They could monitor the price of margarine to discover whether the government's fiscal measures have had the desired effect. I would like to know from someone on the government side whether this was done, whether the savings anticipated have indeed been passed on to the consumer or whether they have simply been retained as increased earnings by the companies involved. I mention once again that the Edible Oils Institute assured various members of this House it was their intention to pass on the saving to the consumer. I would like to know if this has been done.

Another section of the bill provides for the removal of excise tax on machinery and products designed for, or related to, the control of pollution. This is a very welcome provision. If the removal of the excise tax does reduce the cost inherent in cleaning up our environment, it is a worthwhile step. I hope it will result in industries, municipalities, the provinces and the federal government being encouraged to purchase the devices necessary to begin cleaning up our environment. Once again, I suggest that, if it has not been done, it is necessary to monitor the effects of the removal of that tax to see that the saving to the companies involved, as the result of the tax being removed, was passed on to the consumer, whether it stimulated the production of anti-pollution devices and whether it stimulated the purchase of domestically produced anti-pollution devices and not simply the importation of anti-pollution devices designed and manufactured abroad. If it has not already been done, those three important aspects should be monitored. I ask whether this has been done and, if so, what were the results of the monitoring?

It would have been useful if the government had come up with a program of research and development in conjunction with this tax measure to ensure that Canadian companies fully benefited from the removal of the excise tax. Such a program would have been another means of ensuring that Canadian companies would undertake research and development into anti-pollution devices to enable them to produce the equipment necessary to clean up our environment and to reduce our dependence on imported goods for this purpose. Had there been a research and development program undertaken in conjunction with the removal of the excise tax, quite possibly we would have had a greater degree of stimulus to that industry than has taken place, if indeed any has taken place. Once again, we will not know precisely what has happened until we have seen the results of the monitoring of the effects of the removal of the tax and we do not know whether that monitoring has taken place.

I would also like to refer to the removal of the excise tax on the electronic equipment such as radios, phonographs

and television sets. I come back to the need for monitoring to determine whether that saving has been passed on to the consumer and, being passed on to the consumer, whether that saving has stimulated the purchase of electronic equipment. Also, have the purchases which it has stimulated been of domestic manufacture rather than foreign manufacture. We require these facts, not only to judge the validity of the measures incorporated in this bill, but also to determine the effectiveness of the use of fiscal devices in an attempt to manage our economy.

I said earlier it is largely a by guess and by God operation to attempt to manage the economy through the manipulation of taxes. Monitoring devices would remove some of the elements of doubt from that operation. This was an excellent opportunity to establish monitoring devices. They could have been used to give us some hard information which we require in order to adjust our tax system in the future. As in the case of edible oils, the monitoring in respect of electronic equipment could have been done through Statistics Canada because the pricing of electronic devices takes place monthly in its pricing surveys. A simple request from the Department of Finance could have led to the provision of this information. If such a request has not been made, I suggest the department might approach Statistics Canada and ask for such information to be compiled. It is all there. We could then find out whether the consumer has benefited as a result of these taxation measures.

• (5:10 p.m.)

I have covered, in a sketchy way, most of the subject matter included in the bill. To summarize, there are certain matters in respect to which we should like to be given further information before we vote on this tax bill. First, we should like to know whether our suspicions, as to adjustments in connection with the Old Age Security Act are justified or not. I see the Minister of National Health and Welfare (Mr. Munro) is in the House. It would be interesting to hear him confirm or deny these suspicions. Second, we should like to know whether the removal of the excise tax from certain commodities have been monitored to determine whether removal has had the results intended, in terms of money saved by consumers, the generation of increased activity in the industry concerned, and increased domestic production, rather than an increase in the importation of manufactured goods.

Mr. Ross Whicher (Bruce): I shall be very brief, Mr. Speaker. I had no intention of entering this debate, and I would not have done so had not some of the comments and statements made by the hon. members to my left disturbed me slightly—indeed, they disturbed me a great deal. Several of them voiced a suspicion that because of a transfer of a 3 per cent tax from the Old Age Security Act to the Excise Tax Act there might be some thought in the mind of the government that at some time in the future the old age pension for senior citizens would be eliminated.

I do not know where hon. members to my left get these ideas. I know that there are about 1,700,000 old age pensioners in Canada. I realize, too, that in the future, maybe, there may be a better way of looking after our old age pensioners than the one we are now using. The fact is that old age pensions, old age security for senior citizens, who have made Canada what it is, is a fact of life, and no government, no matter what government it might be, would ever think of eliminating old age pensions as we know them in Canada today. It is absolute political hypocrisy for any member of any party in opposition to suggest that this government or any other is thinking of eliminating such pensions which are involved in our way of life in this country. I can see some of the newspapers picking up those speeches by members of the opposition, and by tomorrow morning, or within the next few days, suspicion will be placed in the hearts of many of our old age pensioners that the government is going to eliminate their pensions. Nothing could be further from the truth.

Mr. Peters: How do you know?

Mr. Whicher: I know, absolutely.

Mr. Peters: You are just guessing.

Mr. Munro: Don't be so cynical.

An hon. Member: You are only in the rump.

Mr. Whicher: The hon. member says I am only in the rump. Let me point out to him that the rump is much larger than his own party. There is a great danger that after the next election we shall have so many members we shall move right down next to him.

I have often told these people that if it comes to a battle of wits they do not stand a chance. Let them keep quiet. They will have a chance to speak in a few minutes. In any event, I have been asked how it is I know that old age pensions will not be eliminated. I will give an answer. There are many too many revolutions going on in the world today. There is too much fighting going on at the present time. If any future government ever thought about eliminating a basic way of life such as old age pensions in Canada, the revolution here would compare with those taking place elsewhere in the world today.

Mr. Peters: Over 65 is not the age of revolutionaries.

Mr. Whicher: Of course, pensions will not be eliminated. I know spokesmen for the government will stand up and say so when we get to the committee stage when members can answer questions on this bill. Of course, it will be said that old age pensions will not be eliminated. How could a government such as this eliminate old age pensions? The only thing this government has done in the last year has been to increase them. And in another four years or five years, when we are still there, we will probably increase them still further. There is no thought of eliminating these things. I suggest that hon. members who plant these seeds in the hearts of old age pensioners are not doing them any good and are not doing their own party any good.

The trouble about hon. members to my left is this. After the speech of the Minister of Finance (Mr. Benson) not only this afternoon but on television last night, and after listening to what has been said by the President of the United States and other world figures, they cannot stand prosperity. That is what they fear. It is just a little bit too much, coming after the great success the Minister of Finance had enjoyed in Washington in the past few days. I am sure someone from the government will tell these hon.

members shortly that there is absolutely no chance of old age pensions being eliminated.

There is something else in this bill, too. The government is proposing to reduce taxes on such things as radios and television sets. Are hon. members to my left against this? The people of Canada are getting tired of such negative talk. When they go out to buy a television set they find they can get it 15 per cent cheaper than they could 12 months ago.

Mr. Lambert (Edmonton West): No, they don't.

Mr. Whicher: As far as taxes are concerned, yes.

Mr. Lambert (Edmonton West): Nonsense.

Mr. Whicher: The tax has been eliminated and it has been eliminated, not by the financial critic of the Tory party but by the government of Canada.

Some hon. Members: Hear, hear!

Mr. Whicher: Then, too, the elimination of the tax on margarine and similar spreads may seem a small thing. A few years ago when I had the privilege of sitting in the Ontario legislature I was against the colouring of margarine in Canada. But now, new circumstances have come about. The fact is that margarine, like old age pensions, is a way of life in Canada. All this government is doing is eliminating the tax, and hon. members to my left are trying to stop it. It is high time that people knew exactly what is going on.

Some hon. Members: Hear, hear!

Mr. Whicher: This bill provides for the elimination of the tax on radios and television sets, on margarine and similar spreads and on anti-pollution equipment. Are hon. members to my left against the control of pollution in Canada? I have been listening to their speeches for the last hour and it seems to me they are not only against this bill, but they are against everything. What the government is trying to do in this bill is to cut prices, admittedly in a small area, in this instance. The people of Canada will be able to say, at least in this area, that instead of taxes being increased, they are being reduced. I hope we get in the committee of the whole soon so that the parliamentary secretary can answer some of the questions which have been raised by members of the opposition.

Some hon. Members: Hear, hear!

* * *

• (5:20 p.m.)

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Assiniboia (Mr. Knight)—Agriculture—Program to Assist Small Farmers—Nature of Plan—Adjustments for Similar Provincial Projects; the hon. member for Central Nova (Mr. Mackay)—Unemployment Insurance—New Procedures to Expedite Payment of Benefits; the hon. member for Notre-Dame-de-Grâce (Mr. Allmand)—Criminal Code—Amendment to Ensure Stricter Control Over Firearms.

[*English*]

GOVERNMENT ORDERS

EXCISE TAX ACT AND OLD AGE SECURITY ACT

The House resumed consideration of the motion of Mr. Benson that Bill C-260, to amend the Excise Tax Act and the Old Age Security Act, be read the second time and referred to the Committee of the Whole.

Mr. Cliff Downey (Battle River): Mr. Speaker, I want to join other hon. members who have expressed their thoughts on this bill and indicated their approval of these reductions in taxes. Contrary to what the previous speaker has just said, from the speeches I have heard this afternoon hon. members are in favour of doing away with the tax on anti-pollution equipment and the removal of other taxes provided for by the bill. Knowing this bill was to be debated this afternoon, I made some telephone calls to ascertain the facts in connection with the removal of the tax on electronic and television equipment and the tax on margarine. I talked to local people in Ottawa and found, indeed, there had been some price reduction of television sets. The tax reduction has been passed on to some extent.

However, my investigations do not indicate this is the case with the tax on margarine, which I believe was 12 per cent. The same brand of margarine that sold at 59 cents last spring sells today in Ottawa for 66 cents. Even though it may be a loss leader in some stores, and in some of the large chains there may have been large stocks, there should at least have been a maintenance of the price for which it sold before removal of the 12 per cent tax. This indicates to me that the department of the government responsible for implementing the tax reductions should have checked a little more closely, because the removal of the tax has not been reflected in the price of the product. I am sure all hon. members praise the government for removing the tax on anti-pollution equipment; this is a good move. All of us are very conscious of pollution, and before some of the statements made about pollution today become too common in the press some more investigation into pollution is required.

I had an interesting trip to Washington several weeks ago to participate in talks with the United States department of agriculture and other government departments about pollution control. There had been reports in the press that fertilizer used on farmland was causing pollution, and I was interested to note an experiment that had been carried out in this regard in the city of Washington. The experiment disclosed that the major source of pollution from fertilizer was the urban area. Some run-off tests had been made which indicated that urban dwellers, by and large, are ready users of fertilizer which is applied a

little more than is generally required on lawns. Some of the chemical is washed off the soil and runs down asphalt driveways and pavements into the gutters and thence into streams, and pollution was caused in this way. I think this points to the need for specific investigation as to source of pollution rather than simply referring to pollution generally.

Many speakers this afternoon have referred to the application of the 3 per cent old age security tax to other areas. I have no fear that the government will remove the old age pension, but I think it is important to earmark the tax for this purpose. People like to know where their money is going. This particular tax is earmarked for old age pensions and thus we know where the money is going. People do not mind paying it because they know exactly what it is used for. However, when money is paid into a general revenue fund, payment out of the fund introduces the concept of welfare and one can well understand some stigma may attach to it.

I think it is also important to review incomes and income guarantees of one sort or another, and to find a better way of developing sources of second incomes for Canadians. This can be done by involving Canadians in some form of participation in our industrial growth. Unless we do this, at every election time politicians will go across the land each out-promising the other, and saying he will do more if he is elected; that the people will receive additional benefits through various government channels of distribution. In this regard, we could well use at the present time something along the lines of an industrial homestead act to develop a second income plan. This would help eliminate our constant worry over how to distribute funds and what to call various taxes that are applied.

• (5:30 p.m.)

I shall not continue at length at this time, but I should like to comment on the remarks of the hon. member for Bruce (Mr. Whicher) in respect of old age pensions. I suggest that the increases the government had made in old age security payments do not warrant all the enthusiasm, wind and words he wasted on us. We all know it was an increase of 42 cents last year, and in view of the "generosity" which has been exhibited in the past we wonder what any increases might be in the future.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, lest there be any doubt in the mind of any hon. member as to where we stand on some of these matters, I should like to begin by saying we are exceedingly glad to see the repeal of the sales tax on margarine. We in the opposition for a long time have been pressing for its removal and are glad to see this brought about. We are also glad to see there is to be a removal of the tax on television sets and electronic equipment. I wish the hon. member to my extreme right had not left the chamber, but he has returned and I am glad. I would point out to him that I was saying we are very much in favour of the removal of the sales tax on margarine and the excise tax on television sets and electronic equipment, but we want to make sure that the removal of those taxes amounts to a real saving to the Canadian consumer. At the present time there is no guarantee of this.

As the hon. member who spoke a moment ago pointed out, the price of margarine has gone up. My colleague who spoke earlier also mentioned the need to make sure that these taxes which have been taken off result in savings to consumers. I wish to go a step further. I am sorry that at the present time only one member particularly concerned is in his seat, and indeed he is only the parliamentary secretary to the Minister of Finance (Mr. Mahoney). This matter concerns at least two other ministers, the Minister of National Health and Welfare (Mr. Munro) who was here a few moments ago, and the Minister of Consumer and Corporate Affairs (Mr. Basford). I think both these gentlemen should be here to hear the comments of members of the opposition because, after all, we hear from a good many people and reflect what they believe and say.

I shall go a step further than my colleague who thought the Department of Finance could very easily work with Statistics Canada to monitor whether or not these savings are being passed on to the public. After such monitoring I believe the job of protecting the consumers in these matters falls squarely on the shoulders of the Minister of Consumer and Corporate Affairs. He has been able to devise ways and means to protect consumers in a number of ways. I might mention inflammable materials and poisonous goods, among others. I think it is up to him, perhaps in conjunction with the Minister of Finance (Mr. Benson) and his department, to devise a method whereby the savings that are made are passed on to the consumers as would appear to be the intention of the government in making the changes in this legislation.

So I say to my friend to my right who has disappeared—he is again a little like the Cheshire cat with the grin, who appears and disappears—that because we are in favour of these changes we say to the government it is not good enough to go halfway in making them. The government must go the whole way in order to see that the provisions of the legislation are enforced so that the consumers receive the benefit. I say in this regard that the Department of Consumer and Corporate Affairs, and its minister in particuler, should have the ultimate responsibility in seeing that these amendments are enforced.

Now I want to come to the matter which has concerned many of us here more than anything else in this bill. I refer to the removal of the excise tax which had been earmarked for the old age security fund. This worries us a great deal. Anybody who thinks this is parliamentary hypocrisy or is an attempt to make political capital out of this matter has a very short memory indeed. Many memories in this House do not go back beyond personal recollection, and that is not very far in many cases. Old age pensions have never been adequate, but those of us who have worked step by step to get them and to have them increased know that there is a good deal of ground for fear, distrust and suspicion. I do not blame the parliamentary secretary, but I say he was very shortsighted if he thought there would not be this suspicion when he did not explain why the change is being made.

We want to know the reasons. There may be good reasons, but we have not been told what they are. Our suspicions will remain until such time as we are told. If we are not told during this debate, our suspicions will remain. They are not only the suspicions of the New Democratic Party or of the party to my right. They are the suspicions

of everybody in this country who knows the history of old age pensions. In the first place they were most reluctantly given. At first we had a pension of $20 a month at age 70, with a means test. Every increase, every improvement, step by step after that had to be fought for.

There is in this House no person who has as much right as my colleague from Winnipeg North Centre (Mr. Knowles) to voice suspicion and to demand to know the reasons for this change in the legislation. Nobody in this House has been the stubborn fighter from the very beginning in respect of increasing the old age pensions that the hon. member from Winnipeg North Centre has been. I look across at my friends and say again that no member of this House has been the stubborn fighter for the rights of old age pensioners and the improvement of those rights that my colleague from Winnipeg North Centre has been.

An hon. Member: I disagree with that.

Mrs. MacInnis (Vancouver-Kingsway): You can disagree all you like, but what are you and I against the facts? The facts speak much louder than you do in this matter. The facts are that the hon. member for Winnipeg North Centre, along with people who are no longer in this House, carried on a stubborn fight for the old age pensioners. As I say, no one has as much right as he to demand of the parliamentary secretary the reason for these changes. The fact is that not until 1950 did we manage to get the universal old age pension. The battle had been fought step by step since 1924, and only in 1950 was it made a universal old age pension. The contributory feature in it makes it something that can be called a social contract, a contract with society, which gives it a semblance of right. The sweeping away of the contributory factor gives us every reason to feel that the right may be going with it.

• (5:40 p.m.)

It is all very well for my hon. friend sitting straight ahead of me to say that this government has no intention of removing the old age pension. Anybody who knows anything about how liberties are removed knows that very seldom are liberties taken away in a single bite. They are nibbled away. The first approach to the removal of liberty and freedom is not noticed, because it can be explained away as being a more efficient method and as being of benefit to the person who is receiving it. Step by step down the slippery road this continues to happen.

Do not think that some of us over here have forgotten what happened to the universal nature of the old age security pension, or have forgotten that by using fancy language and calling it a guaranteed income supplement the older people in this country were divided into two classes, those who are poor and those who are very poor indeed. The very poor were told that they were benefiting because those a little higher up the income scale did not get a guaranteed income supplement. We have not forgotten that, and we have not forgotten the deprivation of people being kept at a straight $80 a month no matter what happens to the cost of living. These people have no escalator clause, no collective bargaining through which to raise their income in accord with the cost of living. And they were placed in that position by this government. No wonder we are suspicious.

This was done in the smoothest way. The older people were told that they would be regarded as a special category of older people who were self-supporting, and the other people were kept quiet because they were given the so-called guaranteed income supplement and allowed to keep the escalator clause. Their poverty was so desperate that my friends across the way might well have had the revolution referred to by the last government speaker had the older people not been given that kind of sop to keep them quiet.

These are our reasons for wanting an explanation. I am sorry that the minister did not give them in his opening statement because under our rules of debate he is effectively gagged from taking further part in the debate. I warn him now—he probably knows this without my warning—that when we reach the clause by clause study we will again be asking him for an explanation as to why this has been done. Either there is good reason, or there is none. If there is good reason, let him remove the suspicion from the government's shoulders by telling us about it, and if there is no good reason—

An hon. Member: Political hypocrisy.

Mrs. MacInnis: Let the hon. gentleman across the way keep quiet about political hypocrisy. He should know that at least the older people have some champions here who will fight for their right to exist. There are certain rights in this country. The Americans used to refer to life, liberty and the pursuit of happiness. I will add a fourth right, the right of the old to have self-respect and to be self-respecting. That is a right in this country, or it should be. If this government insists on nibbling away at it with fancy language or with silence, that right will be eroded bit by bit.

We have every right to be given an explanation because there is value in earmarking a fund for the old age security pension. If no particular amount is earmarked for this purpose, every time old age pensions are paid the government will look at the consolidated revenue fund and think that it is a big bite out of the fund and that they had better find some way of chiselling away at it, of putting old age pensioners into another category where they could be given a smaller amount.

If you have a sum of money that you have set aside for a certain purpose and you have effectively said goodbye to that money, you are not tempted to use it for something else. But if you leave that money in a common pot, in your general expense fund, every time you wish to use the money for a special purpose you are tempted to nibble it away and not rob the common pot to that extent. This is why we want a certain amount of money to be set aside by statutory means for the old age security fund, something that cannot be used for another purpose. If suddenly the government tells us that they will take away the sales tax and that it will no longer be put into the old age pension fund, then we have every right to become worried.

At present the old people in this country have been demoted, they do not count any longer. Youth is everything. Once you are over the hill, which is around the age of 30, you are regarded as being of no account. When you get to the stage of receiving the old age pension, somehow this government believes that you are well able to exist on toast and tea and that you enjoy toast and tea more than

nutritious food, that it is positively insulting to give you a full-bodied diet.

I would not trust the government round the corner unless it can give us an explanation as to why it is doing this. I say to the parliamentary secretary that I wish the minister had not muzzled himself for the rest of the debate. I appeal to him to go and find the Minister of National Health and Welfare (Mr. Munro) before supper and if he cannot do so now, after supper, and ask him to give us an explanation. Presumably there is good reason or he would not have allowed the basis of payment for the old age security pension to be changed. Let him find the minister and persuade him to take part in the debate later on, so that he can dispel our suspicions and cut short our debate. I tell the parliamentary secretary that we have no intention of letting this change go by without knowing why the government made it.

Mr. Mahoney: Let us go on to committee of the whole stage.

Mrs. MacInnis: I would like to have an explanation now. It had better be a good explanation, because the elderly people of this country have been bitten so often that they recognize the bite when it is coming.

Mr. Whicher: Would you be satisfied if the explanation were good?

Mrs. MacInnis: Did I not say we were pleased to have these taxes cut? We are like Oliver Twist; we want to make absolutely sure there will be more and that not only the taxes are cut but that the consumer will obtain the benefit therefrom. We want the government to go the whole way and protect its first action by a second action. If the government has a good explanation, that is well and good; but silence is no answer. The old people of this country, and we on this side of the House, will not take silence for an answer on this very important matter.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, my colleague, the hon. member for Vancouver-Kingsway (Mrs. MacInnis), has suggested that the Minister of National Health and Welfare (Mr. Munro) should come to the House to tell us why this has been done. I am not sure that he is the right minister to do so, because if he must abide by the principles of cabinet solidarity I am not sure he is able to stand up and tell us why it is being done. I think it would be much more appropriate if the Minister of Finance (Mr. Benson) were to come into the House and tell us exactly why this is being done. After all, this is his bill.

Perhaps I am being a little bolder than my colleagues, the hon. member for Winnipeg North Centre (Mr. Knowles) and the hon. member for Vancouver-Kingsway. I am going to suggest that from the facts available I already know what is being done. The Minister of Finance has been talking about reducing various taxes through this bill, yet when one looks at the bill it is quite evident that he is increasing the sales tax by 3 per cent. That is exactly what it says. I quote from clause 1:

• (5:50 p.m.)

"27. (1) There shall be imposed, levied and collected a consumption or sales tax of *twelve* per cent on the sale price of all goods".

The act at present in force provides:

There shall be imposed, levied and collected a consumption or sales tax of nine per cent on the sale price of all goods.

In other words, Mr. Speaker, what in my view and in the opinion of the Carter commission on taxation is a very regressive form of taxation is being increased by 3 per cent through this bill. That is what it says. There is a later clause in the bill which abolishes certain provisions of the Old Age Security Act. That, to me, is a purely incidental piece of legislation because in effect it abolishes the 3 per cent contribution to the old age security fund. But it is quite apparent, on the face of the facts of the legislation, that what is being done is to reduce the amount of money going into the old age security fund and on the other hand to permanently increase the sales tax by 3 per cent.

Hon. members may recall that the Carter commission report said if there was going to be a sales tax at all—and it said sales tax should continue—then sales tax both federal and provincial should be levied at the retail level, rather than continuing in our tax law this particularly iniquitous form of taxation that bears most heavily on the consumer and is one of the factors contributing to inflation.

If one compares this bill with Bill C-259 this was pointed out by the hon. member for Winnipeg North Centre—he will see there is no parallel provision in regard to sales tax as there is in regard to income tax. As the hon. member for Winnipeg North Centre remarked earlier, that legislation points out that an amount equal to the amount that might have been collected from income tax, under the direct 3 per cent and 4 per cent contributions from corporations and personal income tax, shall be put into the fund by the Minister of National Revenue. There is nothing in this bill which says that shall be done with the extra 3 per cent sales tax to be levied. It is quite clear to me what the government has in mind. It is going to rob the old age security fund of the 3 per cent that is now going into it and put that money into general revenues. The practical effect in the long run will be an increase of 3 per cent in this regressive form of taxation to be used for the general spending programs of the government.

The hon. member for Bruce (Mr. Whicher) said there would be a revolution if the government were to tamper with this. But some of us recall the kind of suggestions that came from government and near-government sources during the period prior to the tabling of the white paper with the blue cover, called "Income for Canadians", by the Minister of National Health and Welfare (Mr. Munro). And some of us recall the relief and surprise—certainly pleasure so far as I was concerned—that was felt when he indicated in that white paper that for the time being at least the universal old age security pension was to be continued.

As I say, there had been widespread suggestions emanating from government and near-government sources that the universal old age pension plan might be changed. Now I am beginning to feel that in the internal discussions of the government this philosophy is winning out and this bill is a symbol and a sample of it. If one couples this with the earlier action mentioned by the hon. member for Vancouver-Kingsway regarding the freezing of the old age security pension at $80, this at a time when because of cost of living increases obviously a substantial increase

was warranted if one were continuing to accept the principle of universality, and puts these two things together it is evident that the Minister of National Health and Welfare, if he does believe in the principle of universality of a basic old age pension, has been losing out in the arguments within government on this question.

This is what is emerging in this bill. The old age security fund is to be chopped by whatever the yield from this 3 per cent tax has been, and that presumably confirms the idea that the freeze of the pension at $80 is to continue into the indefinite future as long as this government remains in office. That is the only logical conclusion I can draw. I suggest it is the Minister of Finance, rather than the Minister of National Health and Welfare, who should come into this House and tell us whether or not that is happening with respect to the direction of government policy at this time. Some of us who have been members of a number of parliaments have seen well-meaning ministers put forward various kinds of programs, only to have them chopped out from underneath them by the real policymakers behind the scenes.

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

Mr. Barnett: I think the minister has time to do so before six o'clock, and I will be glad to answer.

Mr. Munro: If the hon. member and other hon. members who have been speaking are asking for a declaration of governmental intent with respect to the old age security pension, I can say there is no intention whatsoever of the government to do away with the old age security pension. There is a question of the realignment of the tax designed to raise moneys for the government, but there is no intention at all to do away with the pension.

Mr. Barnett: I am a little uncertain as to the minister's question. Mr. Speaker, I believe it is six o'clock. I would just like to say—

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Barnett: Mr. Speaker, I had virtually concluded my remarks at six o'clock when I had that most interesting non-question from the Minister of National Health and Welfare who, without really attempting to ask any question that would be in order, made a short speech. However, I shall take it as a question. There is some doubt in my mind about his suggestion that I had been arguing that it was the intention of the government to do away with the old age security pension.

I should like to point out to the House, Mr. Speaker, that neither my colleagues nor I have suggested that this is implied in the legislation before us. I was pointing out that under the terms of this bill we are in effect reducing by 3 per cent the contribution from the sales tax to the old age security fund, an amount that is specifically set aside for that purpose, and at the same time we are indirectly increasing the effective sales tax for general purposes by 3 per cent. I suggested that taken together with the recent action of freezing the old age security pension at $80, this indicated that the government was saying that the old age security pension was to be put into limbo at $80 regardless of the cost of living and that it was therefore becoming a rather peripheral and irrelevant element in terms of total government policy.

It seems to me that this is implicit in the bill and this is why my colleagues and I have raised the question. We are not suggesting that the government has any immediate intent to abolish the old age security pension by the bill but are, rather, asking whether they are moving away from the principle of universal payments to all citizens of Canada as a matter of right, through this legislation. I submit that this is a very serious question and is deserving of an answer from the spokesmen for the government. The Minister of National Health and Welfare is, of course, bound by the general policy decisions of the cabinet, so I suggest that as we are dealing with a tax bill the most appropriate spokesman would be the Minister of Finance.

Before the intervention by the minister I had mentioned that on many occasions I had seen the good intentions of various ministers and departments overridden by general government policy. This has applied in the field of pensions and certain other fields of government policy in which I have been involved. The matter is of legitimate concern to members of this party who fought for the principle of universality of pensions as a matter of right payable at a level adequate to meet the needs of retired people.

As was said by my colleague, the hon. member for Vancouver-Kingsway, this is not raised as a matter of idle politics but as a very basic question related to the well-being and future of the citizens of this country and, in particular, the older citizens.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I shall speak briefly on Bill C-260 because I presume we would like to get it into committee of the whole and receive answers to some of the questions posed this afternoon and this evening. One hon. member opposite has suggested that we were trying to frighten the old age pensioners by some of the matters which have been raised by the hon. member for Winnipeg North Centre (Mr. Knowles). I believe it is the purpose of the opposition to endeavour to find out from the government exactly what they intend to do through any piece of legislation before the House. If they cannot explain a bill when it is introduced then, of course, we become suspicious and wonder whether we have to obtain from them in writing—in fact, maybe in blood—exactly what they are doing.

In looking at the old age security pension and the areas of concern expressed this afternoon, I think it must be said that the question posed by the Minister of National Health and Welfare (Mr. Munro) led us nowhere. It just posed another question—whether the universality of the old age security plan will be done away with. The government may be considering this, but of course they would not say so in debate in the House of Commons in the session before a federal election is called. But we need reassurance on this point, Mr. Speaker, and in committee

of the whole we should find out from the government exactly what is meant by the legislation.

I realize that the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) has muzzled himself to the point where it is difficult for him to answer questions. On September 23 a question was put to the Minister of Finance (Mr. Benson) in regard to manufacturers and producers being granted a blanket exemption from federal sales tax on anti-pollution equipment and the request from the Canadian Federation of Mayors and Municipalities that similar exemption be granted.

• (8:10 p.m.)

I realize that the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) has muzzled himself to the point where it is difficult for him to answer questions. On September 23 a question was put to the Minister of Finance (Mr. Benson) in regard to manufacturers and producers being granted a blanket exemption from federal sales tax on anti-pollution equipment and the request from the Canadian Federation of Mayors and Municipalities that similar exemption be granted.

The question is, will the Canadian Federation of Mayors and Municipalities receive the favourable consideration that is necessary in this regard? If the parliamentary secretary will indicate by nodding his head that they will receive that favourable consideration, then of course our remarks at this stage of the debate may be somewhat limited.

Mr. Horner: Mr. Speaker, I wonder if the hon. member would permit a question.

Mr. Skoberg: By all means, Mr. Speaker.

Mr. Horner: Is the hon. member not aware that the parliamentary secretary cannot speak for the government? Is he also not aware that there is not a cabinet minister present in the chamber and therefore no one is present who can speak for the government, and that he ought not to proceed with this line of debate until some person with authority to answer for the government comes into the House of Commons?

Some hon. Members: Hear, hear!

Mr. Skoberg: Mr. Speaker, I realize that I am a pretty young buck in the House of Commons.

Mr. Knowles (Winnipeg North Centre): Here comes the President of the Privy Council (Mr. MacEachen).

Some hon. Members: Hear, hear!

Mr. Skoberg: At the same time, I have lots of confidence in the abilities of the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) who did a pretty good job in answering questions on the tax bill. I thought he could indicate by nodding his head whether municipalities are to be granted the same exemptions that are to be made available to manufacturers. Will the request of the municipalities receive favourable consideration? It seems strange—

[*Translation*]

Mr. Leblanc (Laurier): On a point of order, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Laurier is rising on a point of order.

Mr. Leblanc (Laurier): Mr. Speaker, the hon. member who has just spoken said there is not one minister in the House. The hon. President of the Privy Council (Mr. MacEachen) was in the House but his presence was required in the lobby.

On the other hand, counting the number of Progressive Conservative members, we realize there are not many, and we can say the same thing of the NDP members. Then, why pick on government members regarding attendance in the House?

[*English*]

Mr. Peters: The hon. member need not worry. The House has enough business to keep him here for another hour at least.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. With respect, that was not a point of order. If the hon. member for Crowfoot (Mr. Horner) is rising on another point of order, I will hear him. Otherwise, the Chair will recognize the hon. member for Moose Jaw (Mr. Skoberg).

Mr. Horner: Mr. Speaker, I rise on a question of privilege. The hon. member who just rose questioned my word and that of my party. When I asked my original question of the hon. member who has the floor, not one minister was present who was able to speak for the government. People who are behind the curtains do not count. You know and I know, Mr. Speaker, that a member's presence behind the curtains does not constitute attendance in the House. There might be 17 members behind the curtains for all I know, but you cannot include them among those in the chamber.

Mr. Deputy Speaker: Order, please. Although I indicated to the hon. member for Laurier (Mr. Leblanc)—

Mr. Jerome: Look, there is a man behind the curtain. Look behind the curtain on your side.

Mr. Horner: But he is not responsible for anything.

Mr. Deputy Speaker: Order, please. I was about to say that it seems to the Chair that the hon. member for Crowfoot who initially raised the point of order may not have had a legitimate point of order.

Mr. Horner: Mr. Speaker, I asked a question.

Mr. Deputy Speaker: The hon. member asked a question. As a result, there were certain changes in attendance in the chamber. I do not think that is a matter of concern for the Chair. Whether ministers or representatives of the government are present in the chamber is not a matter for the Chair to concern itself with. I appreciate the concern of hon. members. The Chair has no control over whether members of the government are or are not present during debate. The hon. member for Moose Jaw.

Mr. Skoberg: Sometimes it is hard to see ministers when they are not in their proper places. I see the Minister of Agriculture (Mr. Olson) occupying the seat in this House of the Prime Minister of Canada (Mr. Trudeau). Having

tried membership in quite a number of parties, the Minister of Agriculture now appears to be trying the Prime Minister's seat.

In all seriousness, I want to know whether representations made with regard to Bill C-260 will be given favourable consideration. Will the government give favourable consideration to the requests of the Canadian Federation of Mayors and Municipalities, the body which represents the basic foundations of democracy in this country? The members of the federation are greatly concerned about where their tax dollars are being spent. It strikes me as passing strange that the people involved have not been told what they can expect.

Let us see what the Canadian Federation of Mayors and Municipalities has said in a news release. Our search in this regard might be like a voyage of discovery because we may discover where democracy begins and ends. You see, Mr. Speaker, all sorts of concessions in the field of pollution control have been given to manufacturers but not, apparently, to municipalities. This fact has led to questions being raised in the House. The president of the Canadian Federation of Mayors and Municipalities communicated to the Minister of Finance the concern of municipalities regarding a particular aspect of the budget and tax reform proposals submitted on June 18, 1971. The Minister of Finance wrote to the federation and in an attempt to answer their concern said:

> To further encourage the acquisition of anti-pollution equipment, I wish to announce the immediate withdrawal of the sales tax on such equipment used in production. This new exemption will apply to all machinery and apparatus which manufacturers or producers acquire to detect, prevent, remove or reduce pollutants of water, soil or air. The exemption will reduce revenues by about $8 million a year.

The letter, dated June 18, 1971, was sent from the House of Commons and bears the signature of the Minister of Finance. That is the type of correspondence that the federation is concerned about, because apparently little consideration is being given to extending the same advantages to municipalities as are to be extended to manufacturers. A news release dated December 17, 1971, and put out by the Department of the Environment says, in part:

> Environment Canada will take the lead among federal departments in elimination of pollution by government installations across Canada.

Since departments of the federal government are prepared to take the lead in eliminating pollution, and since the Canadian Federation of Mayors and Municipalities has asked for the same privileges that are to be extended to manufacturers, I suggest that for not being prepared to assist municipalities across Canada in this regard the government stands condemned.

Mr. Alexander: Right.

Mr. Skoberg: This area needs consideration. I hope the Parliamentary Secretary to the Minister of Finance is prepared to give favourable consideration to the requests of the municipalities. Perhaps the Minister of Agriculture, who should also be concerned about pollution control measures, will come to realize that the municipalities are the foundation of our society and that their needs should be considered. It is fine and dandy to say that federal government departments will be active in the area of pollution control. The basic unit of our society is the municipality. In common with manufacturers and producers, municipalities hope that they will be given blanket exemption from federal sales tax on the purchase of anti-pollution equipment.

No doubt many hon. members in this House have served on municipal councils. Others who have not so served have been associated with people active in municipalities and local communities. At present it appears that the federal government is not prepared—hopefully, I am wrong—to revise its schedule of exemptions and include municipalities as entities eligible for exemptions with regard to anti-pollution equipment. One must ask, exactly what is the government trying to do to the small municipalities across this country?

• (8:20 p.m.)

We have heard many times about pollution control measures, sewage disposal plants and all the rest that will assist in controlling pollution. At the same time the government has introduced Bill C-260 which does not provide pollution control measures or the machinery connected with those measures as far as municipalities are concerned. Surely this government is not insensitive to the concern of the municipalities. They must realize that municipalities need concessions along the same lines as those which manufacturers are receiving. Surely the submission made by the Canadian Federation of Mayors and Municipalities bears considerable weight.

I look forward to questions being asked when this bill is before committee of the whole, so that we will hear the real reason for the government not including municipalities. I hope that responsible ministers of the government will be present and these questions will be answered in committee. These ministers, speaking for their departments, can tell the people of Canada that they will provide concessions along the lines to which I referred, similar to those granted manufacturers and producers.

Mr. Lloyd Francis (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I have listened to the debate this evening. While I realize we are approaching the festive season, there is no reason why it should become a silly season. It has come close to being that. I found the speeches of members opposite almost incredible. I did not hear a word about the removal of sales tax on margarine. I wonder why. That is probably the most important feature.

Bill C-260 is a relatively insignificant bill, yet the members of the New Democratic Party are making speech after speech. I have been asking myself why they are doing this. What are they going to do? The hon. member for Winnipeg North Centre (Mr. Knowles), an experienced and able parliamentarian, spoke in the House this afternoon. He attempted to establish a link with the 1950 report of the Joint Committee of the Senate and House of Commons on Old Age Security. He waved a blue document before us. I am familiar with that report. I worked for several years as a public servant in the Department of National Health and Welfare. We used that important document.

What was the link? The link was the great virtue of having a contributory pension plan. The report of the Senate and House of Commons committee included in its recommendations a contributory pension plan, the 3-3-3 formula. It was originally 2-2-2 but was later changed to 3-3-3, corporation income, personal income and sales tax. I can understand the hon. member talking about the psychological link between the individual's contribution of income tax and pension. The continuous link, which the member spent his entire speech trying to establish, was that putting 3 per cent earmarked from the sales tax into a fund was an absolutely necessary element of a pension scheme.

I have heard ridiculous speeches, statements and propositions before but in the period in which I have been a member of this House, never anything to quite equal that. To suggest that somehow part of a sales tax, when put into a fund, makes it a little more virtuous, conspicuous and does something for the great integrity of the individual is something that I never expected to hear from a responsible member of the House of Commons, especially the hon. member for Winnipeg North Centre.

If we want to talk about contributory pensions, I can understand the point that has to be made in the proper scheme of things. But let us do it in a reasonable and sensible way. Let us not have speech after speech demanding that the minister say whether he is going to abolish the old age security program. That is complete and utter nonsense from serious members on the other side.

I keep asking myself "Why these speeches? Why this nonsense? Why this drivel?" I say it is drivel coming from members opposite who normally make good speeches. In this instance they are far wide of the mark in refusing to deal with the merits of a relatively insignificant piece of legislation. The legislation removes the sales tax on margarine, television sets and other electronic apparatus and amends the old age security financing formula to make sure that the sales tax portion is no longer labelled the way it was. It does not affect the incidence or the level of sales tax.

I suggest their purpose is to consume the time of the House to avoid a discussion on other legislation. They are wasting the time of the House. But the people of Canada, the taxpayers and the voters, have a right to recognize what hon. members opposite, those of the NDP bearing smiles on their faces, have done here this afternoon and are doing tonight.

Mr. Deputy Speaker: The hon. member for Crowfoot (Mr. Horner) rose in his place to ask if the hon. member for Ottawa West (Mr. Francis) will permit a question.

Mr. Francis: I will be happy to receive a question.

Mr. Horner: My question is very simple. If what the hon. member is saying is true, why does the minister not get up and state categorically that the government has no intention now or in the future to do away with the old age security pension?

Mr. Francis: I know that the minister is going to do so in his place. If this is the pretext on which hon. members are making their speeches, it can be quickly set to rest.

Mr. Knowles (Winnipeg North Centre): Will the hon. member permit a question? I wonder if the hon. member is aware of the fact that when I spoke about this matter this afternoon I related the removal of the sales tax to the concurrent removal of the personal old age security tax and the corporation old age security tax, in other words the whole package, and that under Bill C-259 we did not have a chance to discuss the matter.

Mr. Francis: Mr. Speaker, Bill C-259 was debated in this House for over 40 days. The debate on that subject should stand on its merits. The issue before us, Bill C-260, relates to the reduction of sales tax and other matters. Surely the rule of relevance is as important in this debate as it is in any other.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, in rising to take part in the debate on Bill C-176—

Some hon. Members: Oh, oh!

Mr. Jerome: Bill C-176 does not start until tomorrow.

Mr. Peters: I know perfectly well on which bill I am speaking. The previous member was probably well aware on which bill he was speaking. I do not think there is any conflict on that matter.

• (8:30 p.m.)

Frankly, I am not one who is particularly involved in the question of sales tax. I am one who believes that a sales tax is a retrograde tax, a tax that must be paid by those who cannot really afford to do so and by those who can afford to do so, indiscriminately. Most governments have used it as an emergency measure to raise revenue but, unfortunately, it always seems to become permanent. The tax we are considering has not changed. It was levied at the rate of 11 per cent or 12 per cent, and under this bill it will continue to be 11 per cent or 12 per cent. Most people who advocate tax reform do not really approve of it as a long-term tax.

I differ from some of the statements made by the hon. member for Ottawa West (Mr. Francis), but I agree with him that this bill is concerned with only a small portion of the sales tax which has been directed to old age security. Originally, in 1952, this money was raised in three ways and a good deal of consideration was given to whether or not part of the tax should be in the form of a sales tax. At that time, personal income tax accounted for 2 per cent, corporation tax for another 2 per cent and the sales tax for a further 2 per cent. As I recall it, there was a $60 maximum on personal tax contributions. This situation changed over the years. It went to three, three and three. Then for several years the tax was 4 per cent on personal income, 3 per cent on corporation income and 3 per cent on sales tax. I do not know whether many members realize that we have eliminated the 4 per cent personal contribution and the 3 per cent collected from the corporations. The hon. member for Ottawa West may have known.

I listened to much of the debate which took place on Bill C-259. I was lucky to keep up with discussions as they were going on. I never claimed I had spent my summer reading this bill and becoming totally familiar with it. I can honestly say that I was not personally aware that the old age security fund was to be eliminated as a contributo-

ry fund. The Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) shakes his head. I give him credit for having studied this bill. It pays him a little money to study this bill. I will say frankly that he has earned that money. He is one of the few parliamentary secretaries who has. He has earned it because he spent all the summer and all the fall and a great deal of the time of civil servants in obtaining some knowledge of that bill. But I believe as we look around us we would see many members in this chamber who just did not know what was being done. Why were we not told we were getting rid of the old age security fund as a contributory fund?

I have always been impressed by the attitude taken by many Conservatives and, indeed, by some of the older members of the New Democratic Party as well as by some of the older Liberals; they would not accept old age security pension if they thought it was a gift from the treasury. They were always told, and they believed, that they received a pension as of right because they had contributed toward it.

Since 1952, almost 20 years ago, they have made regular contributions of between $60 and $120 to a fund from which they could draw a pension as of right because they had contributed to it. There are thousands of people in this country who will not apply for an old age supplementary benefit simply because it is a hand-out from the government, and because to receive it they must show they are destitute. I am sure not many people in this House would say they do not know many older people in their constituencies who would not accept welfare, who would not accept a dole but who would accept the old age pension. It is a dishonest government, it is a dishonest Minister of Health (Mr. Munro) and a dishonest Minister of Finance (Mr. Benson)—

Mr. Gibson: That is a completely false statement.

Mr. Peters: There is our friend from Hamilton-Wentworth (Mr. Gibson) again making lots of noise from his seat. He sounds better when he uses only one or two syllables at a time, because when he rises to make a contribution it really is not worth while. As long as he keeps quiet, nobody knows how stupid he is; it is only when he opens his mouth that people realize the full extent of his ignorance.

Mr. Gibson: The hon. member for Timiskaming (Mr. Peters) is overwhelmed by his own verbosity tonight.

Mr. Peters: Congratulations to whichever member informed the hon. member for Hamilton-Wentworth of those words of wisdom. They certainly did not come from him. His own seat has not developed that kind of wisdom. I believe there is great dishonesty attached to a government which would refuse to tell Parliament what it is doing in this field. I have not said anything about closure.

Mr. Gibson: You certainly have not. We have been waiting to hear you.

Mr. Peters: Mr. Speaker, I am pleased to get all the help I am getting from that particular direction. Closure was applied to a long and important bill. What we are seeing now is an indication of the way in which the public is not being protected. I am sure that if there had been an opportunity to go over the other sections of the bill, most of us would have concluded that there was to be a reduction of the personal income tax directed to the old age security pension to which we have contributed for many years.

• (8:40 p.m.)

The hon. member for Winnipeg North Centre, diligently and with a great deal of compassion and skill, was able to point out that the contributory section of the old age security legislation eliminated the last vestige of self-interest the people of Canada had in developing their own old age security program.

Mr. Francis: Not even you believe that.

Mr. Peters: The hon. member says that not even I believe that. The sort of welfare assistance that is provided 50 per cent by the province and 50 per cent by the federal government is going to be the kind of pension we will be giving our old age pensioners. This will be money paid out of general revenue, just as if it were welfare. That is not a contributory plan and it is not the kind of plan that our old age pensioners like or will accept. A number of people will not accept this kind of charity from the state but would be willing to contribute to a fund from which they can draw.

I am sure the hon. member who raised that point realizes that in another field with which he is very familiar people do accept money when they feel it is their right to have it. They will not apply for money that is means-tested. Veterans only get veterans allowance if they meet other conditions. For example, I am sure all hon. members hear of widows who are in very serious straits before they apply for a benefit that their husband as a veteran did not apply for because he did not feel entitled to it.

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

Mr. Peters: Certainly.

Mr. Francis: I have listened with interest to the hon. member's point, but is he suggesting that the absence or presence of a means test is going to be the only factor governing the decision to apply? If so, how does he rationalize this with old age security, where there is no means test?

Mr. Peters: I have not really gone into that, and it opens up another can of worms the government has been considering, namely, whether or not all benefits should be means-tested. The government has had a committee studying this question for a number of years and all kinds of piecemeal proposals have been made by the committee and fed to us by civil servants in the form of legislation.

My point, which I hope the hon. member is not going to miss, is that when people contribute to a fund that is earmarked for a specific purpose, they know what they are paying their money for. Having filed 20 or 30 income tax forms in their lifetime, they know certain amounts go to old age security, to the pension plan, and so on. My point is that they know these amounts are earmarked for that purpose.

Mr. Francis: They pay for the benefits anyway, whether earmarked or not.

Mr. Peters: There is no question that they have to pay. If I receive welfare I have contributed to the welfare fund while working. Part of my tax was used for that purpose. But it is still welfare, something that I am given. I do not think that the money is tainted; the taint comes from—

Mr. Francis: The means test.

Mr. Peters: Not entirely the means test, but partly from the idea that I had not directly contributed to that fund.

[*Translation*]

Mr. Fernand-E. Leblanc (Laurier): Mr. Speaker, will the hon. member permit a question?

Mr. Peters: Yes, Mr. Speaker.

Mr. Leblanc (Laurier): I would ask the hon. member whether the suggestion that the amount of the old age pension be mentioned on the tax form or included in the basic rate is not merely a question of semantics or a technical point. I believe it comes to the same thing. In my opinion, the argument that a taxpayer willingly contributes to the old age security plan does not hold water because those who receive the old age pension generally do not contribute to the Canada pension plan.

[*English*]

Mr. Peters: That is not what the Minister of National Health and Welfare said. He said the principle of universality should be carried on. The minister has stated everyone would be entitled to a certain payment out of the fund. The only problem arises when the amount has to be increased. The government made an additional payment which it called a supplement, but applied a means test. But in both the government's white paper and the report on social services the case for universality is made. Family allowances, and I suggest old age security as well from now on, will drop the principle of universality and the government will only pay out when there is a need.

As far as unemployment insurance is concerned, all workers are going to contribute, but only a few will ever get money from the fund. But my point is that the Minister of Finance (Mr. Benson) did not tell us, or if he did I did not understand him, that the government was going to eliminate the contributory section from the old age security legislation and that the money would be paid out of a general fund. However, the government has not yet been able to design a scheme of income tax to get this money back again, though my colleague for Winnipeg North Centre hit upon an ingenious idea that eliminated most of the tax at the bottom end yet offered the same exemptions all the way up.

• (8:50 p.m.)

I suppose you would soon reach a Utopian system where everybody would be paid all kinds of dividends, or whatever you might care to call them, and only those who would need them would keep them. That is not what we are talking about when we speak about a guaranteed annual wage and a negative income tax structure. We believe that everybody has the right to at least a reasonable amount of money.

We believe that the tax structure should be such that when money is not needed it is returned to the state, so that if a demogrant is given to an old age pensioner who has $5 million or $6 million, he is entitled to it but obviously some of that money should come back to the state. Obviously when a demogrant is not needed, the money should be returned to the state. However, the government is obviously making a change in the whole field. They are telling the public that this is a just society in which a just amount would be given to those at the bottom of the scale, and going all the way up the scale.

This government was faced recently with a court action and was told in effect that the law must be obeyed in the same way by everyone. If the law says you must pay out money, then you must pay it out. I presume that so long as the old age security fund exists, the government has the obligation to pay out at least the basic old age security to everyone who has made a contribution to that fund. Of course, there are limits and exceptions depending on how long you have lived in the country and a number of other factors, but that was your money and you had a right to it.

I suppose that someone in the legal department said that if that fund is established it would have to be used for that purpose. However, if we wipe out the fund and we decide to pay the demogrant—and I agree that there has been no indication from the government that they will not pay it—of $80 to old age pension recipients, they will not receive less money. Nevertheless, if the old age pensioner decides that that is a hand-out, that that is money he has not earned and is not entitled to, then I suggest he will consider and I will consider that the system has been changed. There is nothing we can do about it. But I think that everybody in this country owes a great deal of gratitude to the hon. member for Winnipeg North Centre who has brought this to our attention.

Mr. Hogarth: You must be kidding.

Mr. Peters: The hon. gentleman is one of those who believes, as do many Liberals, that so long as someone receives the money, it does not matter where it comes from. One can belong to the high church in the better part of the town, rent quarters in the slums at an exorbitant rent to poor tenants who cannot do anything about it, but the money is clean. This is like the Mafia. In my opinion it is very important where the money comes from and by what means it comes.

There is a great difference between receiving money from the Canada Pension Plan and receiving it from someone else because I do not have enough money to feed my wife and keep a roof over our heads. Every time I crawl to some civil servant who is a welfare officer I will certainly be made well aware of the difference between that money and the money which I receive in my own right and to which I have contributed. People who have not had to do without do not see the difference. The landlord who never goes to the slums does not feel bad. They hire people to go to the slums and to evict other people; they do not do it themselves. It is not dirty business because they do not come into contact with it. But in my opinion there is a considerable difference between that money and the money one gets as one's right. I hope that eventually the government will bring Parliament and the country up to date on their thoughts regarding the old age pension. They will have to do that so far as programs like the old age pension are concerned.

An hon. Member: "Is" concerned.

Mr. Peters: I have already indicated that we come from different sides of the track. The point I want to make for the people on my side of the track—

Mr. Fairweather: And there are more of them.

Mr. Peters: —is that they have a right to know what their future will be in terms of social security. This reminds me very much of a fellow getting a job in some of the industries in which I have worked, such as a mine which closes down after 19 years. It closes down just as the old age security fund is closing down. After 19 years your are out of a job, there is no money left in the fund, you do not have a pension—in those days pension plans were not portable—and you have to start all over again. You hope that the next job you get will be better.

I think the people have the right to know where Canada is going in terms of social security. They have the right to know why it is advantageous to drop the contributions to this fund. This was the first major piece of social security in this country. It was a fund which the government did not find obnoxious to administer. The money was not invested in some agencies. I am in agreement with those members who say that we should continue to pay the demogrant at the present time. However, I wonder why we wiped it out. Obviously, there must be a reason why the 4 per cent was wiped out.

I would have made some changes to that fund. I would have taken off the ceiling and I would have allowed enough money to accumulate in the old age security fund to allow us to pay greatly increased benefits to the older people of this country. There were a number of changes that could have been made. But I cannot see the reason for eliminating the old age security fund. Obviously, this is done for a purpose. My suggestion is that the government is eliminating it so as to change the whole idea of the demogrant and from now on more and more of our basic social legislation will be based on a means test.

This government will say to the people, "You have to establish a need no matter what kind of grant you get. We will not pay the old age security pension to people who are not in need, but we will pay more than $80, perhaps even more than $130 to people who will establish need." This does not answer the question which the older people of Canada will have to ask themselves concerning the removal of the sense of integrity which people feel they had under the old age security plan and which they now have with the Canada Pension Plan because they make contributions to it. They have put money into it. They have contributed in whatever way the government wanted them to contribute to the fund. It is their fund. They want to enjoy that fund as a right.

• (9:00 p.m.)

It seems to me the government has not done any good service by removing surreptitiously, through Bill C-259, the 4 per cent personal contribution and the 3 per cent corporation share, and now through Bill C-260 removing the sales tax as a contribution to the old age pension fund. This will not make people richer.

One hon. member said that the sales tax has been removed from oleomargarine and from some dairy spreads. That is a slippery move, as one of my colleagues says. I suppose the extent of its slipperiness depends upon whether you are a farmer or not. And the government has removed the tax from pollution control machinery. Municipalities have had to fight pollution, and in fact they have been large-scale sources of pollution themselves. It is good that the tax is removed in that respect. The government lends municipalities money to fight pollution. I believe it should provide municipalities with the necessary machinery at as low a cost as possible. If necessary it should undertake the manufacture of pollution control machinery itself, and give such machinery to municipalities.

If the bill did not contain this provision I am quite sure it would have passed without much debate. But I am certain that anyone who listened to the speech made by the hon. member for Winnipeg North Centre must now be concerned. He pointed to the loss of something that most of us have grown fond of, the old age security program. Mr. Speaker, some of our own members are taking advantage of that program. An increase in salary does not prevent one from taking advantage of it.

As I say, most of us support the idea of an old age security pension fund built up in part by contributions from individuals and in part by contributions from corporations. Collecting such contributions through sales tax has worked well. We are unhappy that the pension will now be regarded as a government hand-out, rather than something to which pension recipients themselves contributed.

Mr. Max Saltsman (Waterloo): Mr. Speaker, on the surface, what we are being asked to do through changing the source of this tax simply looks like an administrative matter to clean things up. But we have a duty to look beyond what appears on the surface and examine the full implications of such a move. I am concerned that something which may be of great importance to the future of the old age pension scheme is being put through in the dying hours of this session. The hon. member for Winnipeg North Centre (Mr. Knowles) has sometimes been called the conscience of Parliament. As that conscience he is very much concerned about old age pensioners. There is no one in this country who has fought so well for old age pensioners as the hon. member, and he is to be excused if he wants to know what will happen with this kind of legislation.

This debate illustrates a fundamental difference between some of us on this side of the House and other hon. members. This difference is between looking upon some government activity in the redistribution of income as a form of charity, or as a matter of right. There is an important principle involved. We in this party have always argued that in seeking redistribution of income we should get people to look after their own needs by contributing to government programs. In short, we saw the state in competition with private insurance plans and felt the state could introduce far better insurance programs—fairer, more equitable, cheaper to administer, and providing more benefits to all—and we believed in public involvement in those programs.

One of the schemes for which we fought and in which we believe strongly is the old age security pension pro-

gram. It is not a charity, not something to be buried in the general tax structure. It is a program that should be highly visible. People should see that they themselves are contributing to it, and when they collect their pension they should know the pension is theirs as a matter of right and not a charitable gesture.

We have much reason to be suspicious of what the government has been doing to universal programs recently. For example, the old age pension has been frozen at $80. It seems inconceivable that a large group of people will never receive any increase in their old age pension and that in future increments are to be based on a means test. The government can call this test whatever it wants, but it winds up being a means test. We believe it is grossly unfair.

We have argued that this discriminates against people who have small savings or a small pension from another source. Some of the predictions we made about the difficulties created by the introduction of such a means test have become realities. More and more old age pensioners are becoming resentful that the small amounts they earn from baby sitting or other sources disqualifies them from increases in their old age pensions. They feel cheated, betrayed and let down by the people who administer the program.

The government is taking the same approach to family allowances. On a number of occasions the Minister of National Health and Welfare (Mr. Munro) has said he intends to revamp the whole family allowances program. I will not deal with that question in this debate, but it indicates the direction in which the government is moving. It is trying to drop universal programs or turn them into programs that contain some kind of means test.

We are not opposed to increases being given to those in need. This is a cornerstone of our policy. But it seems to us that the additional resources needed to do this are not coming from those who have the ability to pay. They are not coming from industries like oil and gas which pays minimal tax. They are not coming from people who make their living from capital gains. The necessary tax is coming from those who can least afford to pay it. The redistribution is not from the well-to-do to the poor; it is from the near-poor to the poor. This is not a good way to redistribute wealth. If the old age pension is frozen at a low level and the same happens to family allowances, then it is the near-poor who are hurt.

We cannot give our approval to a program that abandons universality and moves toward the introduction of a means test, particularly when the necessary tax is being levied on those who can ill afford to pay it and when benefits are being taken away from people who are entitled to them by virtue of their contributions to the program.

• (9:10 p.m.)

One of the things that sets Canada apart is the intelligent use made up to now of both the old age pension and the family allowance. This makes us different from our neighbours to the south in terms of our social outlook and how we view justice as between people. I am very unhappy to see anything introduced that would work against such programs. If there is an advantage to the sales tax and to part of it going to pay for the old age pension, it is the argument that the program is not universal in its contributory form because the poor who collect it do not pay income tax or corporation tax. But everyone pays sales tax in some form, and everyone who collects the old age pension, even if they never file an income tax return, has in fact contributed because of the sales tax on their purchases over the years.

While most of us regard sales tax as regressive and have been looking for ways out of it, there is a realization that it is going to become a larger instrument of government revenues than it is at present. It has been the experience of many European countries that a tax on consumables, including the necessities of life but also at other levels, is a cheap way of raising taxes. By allocating a portion of the sales tax to the old age pension fund we can guarantee that it will increase and continue to serve old age pensioners in the future, but by trying for administrative ease the government will destroy the philosophical basis and the justification for a separate fund for old age pensions. I for one, Mr. Speaker, think that the government owes this House an explanation of its intentions and its reasons for wanting these particular changes made now. If we do not get an explanation then we must suspect that the government has other things in mind than trying to make things easy for civil servants.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to take part in the debate on this very interesting bill. First, I must say that the changes dealing with the Old Age Security Act make one wonder where we are going. Therefore I look forward to hearing the real reasons behind the proposed changes.

I should like to speak briefly on those sections of the bill dealing with anti-pollution equipment. Our group has been pressing for the exemption of anti-pollution equipment from the sales tax as one of the incentives to encourage all groups in Canada to take a more active role in pollution abatement. The municipalities need the most assistance, but as I read the bill they are not covered by the exemptions in it. I feel that this matter should be of interest to every member of the House. Municipal groups have come to us from one end of Canada to the other asking for tax relief.

The hon. member for Moose Jaw (Mr. Skoberg) asked the parliamentary secretary whether municipalities were covered in the exemptions, but to date we have not received the information. From the material we have received from the Canadian Federation of Mayors and Municipalities it is my impression that the municipalities are not covered. I ask the parliamentary secretary and all members of this House, why should we give industry exemption from sales tax on anti-pollution equipment and not give it to municipalities which in my opinion need it most? This is one of the reasons we are interested in discussing the bill on second reading.

I wish to tell the parliamentary secretary through you, Mr. Speaker, that if they do not bring in an amendment to clause 4 giving some relief to municipalities on sales tax respecting anti-pollution equipment, we will bring in an amendment and have another debate on it. This is the very thing we have been preaching and urging. Groups have been appearing before our committees for months asking for some kind of relief, yet Bill C-260 does not

cover the municipalities of Canada. Why is the exemption given only to industry? I think clause 4(2)(b) is the key to the whole thing. It provides:

> machinery and apparatus sold to or imported by manufacturers or producers for use by them directly in the detection, measurement, prevention, treatment, reduction or removal of pollutants to water, soil or air attributable to the manufacture or production of goods—

There are other clauses which can be dealt with in committee. The municipalities in many instances do not have the tax base to allow them to take adequate measures for control, and I see absolutely no reason why they are not included in this legislation. I trust the explanation will be given by the parliamentary secretary later in the debate.

I should like to refer again to the news release issued by the Canadian Federation of Mayors and Municipalities on September 21, 1971. They reiterate what we have been trying to get across to the government, that changes must be made to the legislation, and made now. The hon. member for Ottawa West (Mr. Francis) in his remarks said that we are talking nonsense and wasting time, trying to take time from debate on legislation coming in tomorrow and the next day. Mr. Speaker, nothing in Canada is more important than pollution and environmental problems.

Some hon. Members: Hear, hear!

Mr. Harding: We ask members on all sides of the House to look at the legislation and ask themselves whether they want assistance for their municipalities. If they do, they must get to their feet and ask the government to make a change in the section which will make anti-pollution equipment for municipalities exempt from tax, as it is for industry.

That is all I have to say now, Mr. Speaker. I am not trying to talk out the bill, but I feel that the clause dealing with pollution equipment is not strong enough. I am in favour of taking the sales tax off equipment for industry because it is a step forward. But why leave municipalities out? We are sick and tired of privilege being given to those who make a tremendous profit on the sale of this type of equipment, and we are asking that the taxpayers of this country be given some relief at the municipal level. It can be done through this bill. That is what we are asking and what we will try to get when the bill comes to committee stage, because we are going to force a debate on this clause by moving an amendment.

• (9:20 p.m.)

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

Some hon. Members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the chair.

The Deputy Chairman: Shall clause 1 carry?

On clause 1—

[Mr. Harding.]

Mr. Lambert (Edmonton West): Mr. Chairman, this is an amending bill and therefore the discussion must be relevant to the particular clauses being considered.

An hon. Member: That will be the day.

Mr. Lambert (Edmonton West): The hon. gentleman who has just commented might look at the situation and see how members of his party have behaved themselves.

Some hon. Members: Oh, oh!

Mr. Lambert (Edmonton West): The hon. members for Lanark-Renfrew-Carleton, and New Westminster always make their noises from their seats. Their contributions in the present discussions have been precisely nil.

On the face of it, it would appear that in clause 2 there is an actual increase in the proportions. I want to say that this is not so. I fully agree with the hon. member for Winnipeg North Centre and I think the minister will agree, too, when I say that at this stage we are now doing away with what one might call a designated tax. I am not persuaded that we should do away with it. I think there was great psychological advantage in having the public understand that they were paying part of the sales tax as a contribution toward their old age security. This provision will eliminate that. It is true that under another clause of the bill it is provided that the consolidated revenue fund will make payments to the old age security fund, but that is not the same thing. The public will not understand that.

The hon. member for Laurier may shrug his shoulders. Will he ask his constituents about their contribution toward an old age pension that they considered as theirs by virtue of the contributions made? Now, of course, this payment is to be just another transfer payment from someone else. The individual cannot identify himself with it. I say that there was psychological value in having people identify the payments they were making in certain respects to retirement pensions. This idea was strongly advocated with regard to the Canada Pension Plan, which is identified with the individual. I think a retirement plan ought to be identified with the individual.

Mr. Hogarth: Mr. Chairman, would the hon. member permit a question?

Mr. Lambert (Edmonton West): Certainly.

Mr. Hogarth: What about the great number of Canadians who do not contribute to the fund in the way the hon. member has suggested, under the auspices of the Income Tax Act, that is to say, those Canadians who have not yet paid income tax but by virtue of their age receive the old age pension?

An hon. Member: They pay sales tax.

Mr. Lambert (Edmonton West): It is very simple. Those people are paying sales tax.

Mr. Downey: That was a very poor question.

Mr. Lambert (Edmonton West): The hon. member for New Westminster has precisely put his finger on the point. Mind you, he did not intend to. We recognize that there are many earning low incomes who do not pay income tax

and that, therefore, they do not make their contribution of three points to the old age security fund. Nevertheless, they pay sales tax because there is no way that you can escape sales tax.

Mr. Hogarth: Would the hon. member permit another question? Is the hon. member suggesting that those who do not pay the 3 per cent surcharge on income tax pay sufficient sales tax to warrant the amount that they are being paid by way of pension?

Mr. Lambert (Edmonton West): I am not saying that, because there is no question here of an individual contributing amounts which will be equivalent in any way to his pension. After all, the person who is well-to-do contributes a great deal more than the pension he will receive. I was talking about the feeling of participation.

That point was made by the hon. member for Winnipeg North Centre and many others. He and others talking about this sense of participation. You can see it under the Canada Pension Plan. The idea of participation is reinforced by the Canada Pension Plan, and it seems to me it is a good idea for the individual to identify the payments he makes as being contributions toward the old age security pension. If we ever come to the point of the guaranteed annual income, either by introducing the negative income tax or tax credits—and I always thought that Bill C-259 was wrong because it did not use the tax credit system—we will need to organize the income tax on a much more flexible basis if we are to take care of aspects of that kind. Some provinces are ready to move in that direction. However, we are opening up a much wider field for discussion than is contemplated by this clause.

As I understand it, tariff item 47600-1 deals with certain equipment. I am referring to the items listed under subparagraph (3). Tariff item 47815-1 deals primarily with surgical equipment and with driving kits that persons who are incapacitated because of physical infirmity may fit to their automobiles so that they may drive them. That is perfectly all right and I entirely support this provision.

There is one point that I should like to see developed more, Mr. Chairman. The hon. member for Kootenay West discussed it with some vehemence a short while ago and I wish to deal with it. I felt that removing the sales tax as an incentive for manufacturers to purchase anti-pollution equipment was a step in the right direction. In other words, manufacturers can now acquire such equipment without paying tax. The scope of this measure is very limited. According to clause 4, section 20 (2) (b) found on page 2 of the bill, such machinery and apparatus must be used directly in the detection, measurement, prevention, treatment, reduction or removal of pollutants to water, soil or air attributable to the manufacture or production of goods.

• (9:30 p.m.)

I think this provision may be fairly limited. I am not sure how far these people will be able to move. The hon. member for Kootenay West said that the provision should be given to municipalities, but the municipalities in the main are not in the business of producing goods. I think under the National Housing Act, and I would certainly like to see the government move in this direction, the credits could be improved and upgraded.

Rather than a sales tax credit, municipalities could be given an incentive for forgiveness features in loans for sewage treatment plants in the secondary and tertiary fields. This is a much better program than saying to the municipalities or provincial governments that they can take off the sales tax. There is a difficulty with the provinces. The federal and provincial governments have agreements whereby they each pay the sales tax to the other chap. If you start making exceptions, you get into difficulty. I do not think that is the way to approach it.

With regard to municipalities and provinces in connection with machinery, equipment and installations to deal with pollution control, it is far better to have a major incentive scheme of the kind that existed. Some may still exist although they are very limited. These provide forgiveness features on loans for programs with regard to these very expensive control systems. There are no two ways about it, they are very expensive. That is the only way that can be done. To say that municipalities and provinces should not have to pay sales tax on machinery or apparatus used in the production of goods is not feasible. It is another thing to put it in a category where you can undertake a major program that will bring results across the whole country, not just on a hit-or-miss basis as it might be.

I sympathize with the objective of inducing municipalities and provinces to enter the field of pollution control, but with the greatest of respect I do not think this is the place to do it. If I were in support of the idea of introducing an amendment, I might find some difficulty in limiting it within the terms of the ways and means motion.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, as the explanatory notes to this bill make clear, clause 1 is consequential to clause 5. I mention that as a prelude to making the statement that I think we should be entitled to discuss clauses 1 and 5 together since their combined effect is one operation, namely, the removal of the 3 per cent sales tax from the Old Age Security Act and the adding of 3 percentage points to the sales tax set out in the Excise Tax Act. As hon. members are aware, this area has concerned many of us who have taken part in this debate. We have done so because of a very real concern as to what use might be made of this change of tax policy in the future.

I say to the hon. member for Ottawa West that I listened with interest to his criticism earlier in this debate. However, I submit that there is one thing one has to watch around this place. That is the danger that victories that were won can be lost. As a matter of fact, I was quoting this afternoon from the report of the special joint committee on old age security that met in 1950. I remind any who were around at that time and those who have read history that one of the prominent members of that committee was David Croll, now a member of the other place. He was not only a prominent member of the joint committee, being then a member of the House of Commons, but he was one of the hardest fighters for the complete removal of the means test and for establishing old age security on a universal basis.

That same David Croll is now the chairman of a committee which recently issued a report stating, among other things, that the Old Age Security Act should be abolished,

this proposal having been made in the context of his particular plan for a guaranteed annual income. I am simply making the point that things that were once won, and which one thought might have been established, can be lost if one does not watch out.

I expressed my fear this afternoon and I express it again tonight. By removing the direct relationship between individuals and the whole concept of old age security through the way in which they pay their taxes, there can be a lessening of the declared right to old age security on a universal basis. I again point out that one not only has material from as far back as 1950, but there is the white paper of the present Minister of National Health and Welfare which was tabled only a year ago. In it the minister said, among other things:

Personal income taxes as well as other earmarked taxes have been collected from people since 1952 to finance this program, establishing an expectation and a right to the pension.

The point I am trying to make is that this government has said time and again that one of the reasons that justifies the universality of the old age pension is that people pay for it through taxes that are identified for old age security. My fear is that if there is no such relationship, this or some succeeding government may go still further in terms of whittling away the universality that we wrote into the Old Age Security Act.

I remember a prominent deputy minister of welfare saying in a public address a few years ago that one of the real sources of pride in this country is the fact that we have established family allowances and old age pensions on a universal basis, and with this sort of thing having been won we can count on it being here for all time. That is not the case. That is my concern about this change in the tax basis.

At no time this afternoon did I or anyone else in this group suggest that this change envisages doing away with old age pensions. What it does envisage is the possibility of arguing against the universal right which has been related to the earmarked taxes. That is what I would like to fend off. As a matter of fact, Mr. Chairman, if we can now get the Minister of Finance to make a statement on this matter, it will be extremely welcome. He may have his reasons for not having referred to it in his budget speech of June 18, or when he introduced Bill C-259, or when this bill was introduced today.

• (9:40 p.m.)

We were told about these changes in respect of all three taxes in the resolutions and in the bills, but not one word has been said in explanation. But if the minister can now tell us that there is a philosophy behind this, that there is a rationale, and that it is not the intention of the government in the course of these changes in tax policy as far as old age pensions are concerned, to cut by one iota the right to universal pensions, I shall be pleased. I may even be satisfied.

But before he does that, may I correct one thing I said this afternoon and which I have since found to be wrong. Let me be the first to correct it. It was drawn to my attention by someone else, but I am happy to correct it. I made the statement this afternoon that the Minister of National Revenue would in the future be required to estimate the amount which would have been collected in personal old age security tax and in corporation old age security tax and that this amount would have to be transferred from the consolidated revenue fund into the old age security fund. Along with that I said this was not to be done with respect to sales tax. I now find that under the wording of Bill C-259 cross-related to section 24 of the Old Age Security Act the same thing would happen with respect to sales tax revenues.

Thus, an amount estimated to be what would have been derived had the old law still been in effect would be transferred to the fund. In other words, it is clear there is to be no change, in the immediate future at any rate, in the total amount of dollars going over. But this does not detract from the basic point we have made this afternoon, namely, that the earmarked relationship, the sense individuals have that they are paying for old age security and are therefore entitled to it, is to be wiped out by the way in which this is being done.

The Minister of Finance will probably tell us that the old age security fund as such is being retained. This, I might say, is a bit of fiction. It is just a matter of bookkeeping. I think that what is more important is to retain something which emphasizes each individual's right to a pension because of his contribution in one or two or three ways. I come back again to the report the committee made in 1950 and which the government accepted in 1951, namely, that it was a good idea to have this kind of relationship. I would not like to see it go, because the danger is created of the possibility that the government could get away from the universal concept, as has already happened in connection with the guaranteed income supplement. We have seen it happen, too, with respect to family allowances.

One of the reasons I am not unreservedly supporting the hon. member for Humber-St.-George's-St. Barbe in his frequent requests that the bill which deals with family security be enacted right away, is that although provision is made for improvement in the allowances to be paid it is accompanied by income tests which I think ought to be looked at very closely. This is my concern in connection with the legislation before us. I say to the hon. member for Ottawa West, despite his fun this evening, that it is a real concern. When I saw that this earmarked tax relationship, declared to be a prop for universality, was being removed, I was most concerned about what might happen in the future.

I hope that this debate, if it does nothing else, will produce a statement on what I suggest is an important subject and one on which we have heard not one word thus far from the Minister of Finance.

Mr. Benson: I should like to say to the hon. member for Winnipeg North Centre that there is no intention to get rid of the universality of the basic old age pension. The government has often indicated this to be the situation.

When we were going through the process of reviewing personal and corporate income tax in connection with Bill C-259, one of the stated intentions was to get rid of designated taxes such as the old age security tax, the social development tax, and so on, and combine them in one system. At the same time, we did not want to get rid of the old age security fund. So what we have done in the bill before us, which takes care of the sales tax as well, is this:

we have authorized the Minister of National Revenue to transfer to the fund personal income tax, corporate income tax and sales tax in an amount equivalent to what would have been derived from the various percentages applied as special taxes. I believe this is a more efficient way of doing things. It makes it a little simpler for people to calculate their personal tax, and I think this is desirable.

As to people knowing that they contribute to the old age security fund, I doubt whether the majority of people even know they pay the sales tax, let alone that a certain percentage goes to the fund. The fund is to continue. There is no desire to get rid of universality. I think I have given the hon. member the assurance for which he is asking.

Mr. Knowles (Winnipeg North Centre): There are one or two further points I should like to make. The minister states he has no intention of getting away from the present practice. I wish he would confirm statements which have been made by the Minister of National Health and Welfare. Does the right of entitlement, which has been based on the taxes the way they were, still hold? The Minister of National Health and Welfare has declared that it was because the taxes were earmarked there was a right which people could assert. Will that still hold?

Mr. Benson: The right is given to the pensioner by Parliament. The only way of changing this would be for the government to amend the Old Age Security Act in order to change the amount paid to people. I can assure the hon. member that we have no intention of changing the universality of the basic pension.

Mr. Knowles (Winnipeg North Centre): I am glad to hear that.

Mr. Francis: You knew that, anyway.

Mr. Knowles (Winnipeg North Centre): I did not know it, and I can tell the hon. member that before I leave this building tonight I shall index these statements which have been made by the minister for use at an appropriate time.

I have one other question. The minister seems to glory in the fact that the special taxes for the old age security fund and the social development fund have been done away with but that the fund has been kept in existence. Does he have any dealings with the Minister of Labour? Does he not realize that in the case of unemployment insurance the special taxes have been kept alive but that the fund has been done away with? Would not a little consistency over there be a good idea?

• (9:50 p.m.)

The Deputy Chairman: Is the hon. member for Ottawa West rising on a point of order?

Mr. Francis: Mr. Chairman, I should like to ask the hon. member for Winnipeg North Centre a question at some convenient point, if he will permit it.

The Deputy Chairman: The hon. member for Winnipeg North Centre has asked the minister a question and now the hon. member wants to ask him a question before he has had an answer from the minister. I will leave it to the hon. member for Winnipeg North Centre.

Mr. Knowles (Winnipeg North Centre): We are in committee of the whole, Mr. Chairman, so I would be happy to have the question.

Mr. Francis: Mr. Chairman, I have been trying to follow the logic used by the hon. member and I should like to ask him this question. Following his argument, does he contend that the most desirable way to deal with old age security is to have a record of individual contributions, the same as with the Canada Pension Plan? If so, what is his justification for an old age security program in addition to a Canada Pension Plan? Is he arguing that the two should be combined in one in order to guarantee what he considers to be an individual's right to receive benefits having made a contribution?

Mr. Knowles (Winnipeg North Centre): Before I am through, Mr. Chairman, I will be making this afternoon's speech all over again. I pointed out this afternoon that old age security is not based on each individual's account. This is the way we recommended in 1950 and I accept that way. If my hon. friend reads about this matter in the white paper entitled "Income Security for Canadians" he will find the idea is expressed that old age security which is financed without individual accounts is the first deck of a total social security program. I approve of this arrangement whereby the first deck is financed without individual accounts but in a way that the people feel they have a right to the money.

Then the second deck, the Canada Pension Plan, is on an individual account or contributory basis. I think that these two together make a pretty good program. I do not want to see them destroyed by a government that nibbles away at the first deck, namely, universal old age security.

Mr. Peters: Mr. Chairman, I am still not convinced by the Minister of Finance of the advisability of retaining an account. Personally, I see little merit in it. I presume the minister issues these cheques out of general treasury and I cannot see any point in keeping money in the general treasury that is used for a specific purpose. If this country goes broke we just are not going to pay our old age pensioners their cheques; it is that simple.

The old system was based on a totally different concept. I know we are eliminating it, but my point is that I do not see the merit of retaining the money in a specific account. Previously the 3 per cent sales tax went specifically into this fund. Now it will not. The 12 per cent tax will be paid into the federal treasury and the Receiver General will turn the money over to the Minister of National Health and Welfare who will issue the cheques, but I do not think that this meets the point about the rights of individuals who have made contributions. I suppose that the 4 per cent on my income tax, which will of course be handled by the Minister of National Revenue in a somewhat different way, will not cost me any the less though I shall not be paying 4 per cent as such.

If I may talk on clause 1, I shall not talk on the other clauses. I should like to make a general plea to the minister. There are some people in this country who cannot speak very well for themselves but who nevertheless have a personal interest in these matters. One of these groups is that which receives old age security, and another is the group which receives family allowance. I think there

would be much merit in the government shortly bringing together its legislation in the social security field. I do not discount in this the unemployment insurance legislation, though the payments are being treated in almost the same way but on a means test. For example, if a miner gets laid off and a benefit comes to him from the mine, this is deducted from the amount he receives from the Unemployment Insurance Commission. Any money paid to him from the assistance plan also takes account of his income.

I think some confusion arises from the way these programs are being changed. There would appear to be two different systems which in many cases work against each other. I hope that before the end of this Parliament the government will bring together its social security legislation in order to allay the fears that I am sure many of us have when we change any items of social legislation in this nation.

Mr. Horner: Ten o'clock.

The Deputy Chairman: It being ten o'clock, shall I rise, report progress and request leave to consider the bill again at the next sitting of the House?

Some hon. Members: Agreed.

Progress reported.

ROUTINE PROCEEDINGS

NATIONAL DEFENCE

REFERENCE TO STANDING COMMITTEE OF WHITE PAPER

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I should like to raise a point of order. I would ask for consent to revert to motions in order to move a reference to the Standing Committee on External Affairs and National Defence.

The Acting Speaker (Mr. Laniel): The House has heard the proposal made by the minister. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. MacEachen: Mr. Speaker, I move, seconded by the Minister of National Revenue (Mr. Gray):

That the white paper entitled "Defence in the 70's", laid before the House on September 7, 1971, be referred to the Standing Committee on External Affairs and National Defence.

Mr. Baldwin: Mr. Speaker, we agree to that. If there is anything that needs looking at, it is the defence policy of this government.

Mr. Peters: Mr. Speaker, I hope the motion includes the right to travel over the Christmas holiday.

• (10:00 p.m.)

Mr. McGrath: May I ask the government House leader when we may expect a similar motion referring to the Standing Committee on Regional Development the first report of the Atlantic Development Council which was tabled in the House in April of this year, because there is a great deal of interest in it, as the minister knows, and I think it would be an appropriate reference to the committee.

Mr. MacEachen: I really cannot say at the moment when such a reference will be forthcoming.

Mr. McGrath: Will it be forthcoming?

Mr. MacEachen: Yes.

The Acting Speaker (Mr. Laniel): The House has heard the motion just put. Is it the pleasure of the House to adopt the said motion.

Motion agreed to.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AGRICULTURE—PROGRAM TO ASSIST SMALL FARMERS—NATURE OF PLAN—ADJUSTMENT FOR SIMILAR PROVINCIAL PROJECTS

Mr. William Knight (Assiniboia): Mr. Speaker, I rise to address the House this evening because of the very insufficient answer I received from the Parliamentary Secretary to the minister of Agriculture (Mr. Lessard) pertaining to the question of whether or not the House of Commons will have the opportunity to debate the government's program to supposedly aid small farmers in their attempts to expand their operations.

The answer I received is indicative of the negative attitude of this government to agriculture. Its performance in the last four years has been anything but good. To appreciate this hon. members need only look at the Lift program which proved to be a disaster, at the inadequacy of the stabilization program and the mess in which we find ourselves with regard to Bill C-176. It seems that the government is reluctant to discuss the merits or demerits of its program for small farmers. What is the definition of a small farmer in terms of the program? Is the Minister of Agriculture (Mr. Olson) suggesting that he does not know?

If this government is really serious about aiding the small farmers in Canada, then it must create a viable agricultural economy that will show the small farmer that it is worth while for him to go further into debt in order to develop a sound economic unit.

There are two very important problems facing the farmers in Canada which the government must be prepared to tackle. First is the very low returns the farmer is getting for his products. Farmers are receiving only the same price, if not less, for their products as they were receiving decades ago. Therefore, the government should bring in a two-price system for wheat. The domestic price should be $1.25 a bushel more than the bushel being sold on the international market. This would mean an additional $70 million approximately for the producer, while the cost to the consumer would be minimal. After all, we on the Prairies have heard the Liberal party promise a two-price

system for seven long years. It is time they introduced one.

In view of the rising costs of production the government should be prepared to bring in a price support program for other grains as well. This brings me to the second area of concern to farmers, the accelerating costs of production. The government spent thousands of dollars on the Barber Royal Commission on the Price of Farm Machinery to tell every farmer what he knows, namely, that the price of farm machinery is too high. It is time the government seriously examined the farm machinery industry in order to find means of curtailing the ever-rising costs which the farmer has to face.

In conclusion, if the government wants to encourage the small farmers to stay in the business of farming, it must come to grips with the cost-price squeeze in which the farmer finds himself.

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is not very easy to reply to the hon. member for Assiniboia (Mr. Knight) because the hon. gentleman asked me to define a small farm. Depending on the type of production in which a farmer is engaged, it might involve quite different implications. To decide tonight on a precise definition of a small farm is not possible. It is doubtful if debate on such a definition at this time would be a useful exercise, for at this stage it is to a large degree variable. This is one of the reasons for embarking on this endeavour as a program rather than as specific legislation. The government recognizes the complexity of the problem and prefers to obtain some experience in this field prior to introducing legislation.

The minister indicated on another occasion that funds for this program have been voted upon and approved by the House in the estimates of the Department of Agriculture for the past two fiscal years. Mr. Speaker, I am sure that the hon. member would not wish to dispute the government's or Parliament's wisdom in proceeding with the program in this fashion rather than at a much slower pace.

UNEMPLOYMENT INSURANCE—NEW PROCEDURES TO EXPEDITE PAYMENT OF BENEFITS

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, on December 13 of this year I had occasion to question the Minister of Labour (Mr. Mackasey) concerning a more expeditious way of handling UIC payments. His answer was helpful and encouraging to some extent, but unfortunately it did not go far enough. There is a real problem in this country concerning the situation with regard to UIC benefits. It is not a subject which should be made a matter of political partisanship. It concerns all members and all parties. This evening I should like to put forward a few suggestions which I hope the minister or his representatives may look at in good faith.

In my constituency of Central Nova we have what I consider to be a unique problem. It is similar in many respects to that in the city of Sydney, Nova Scotia, where the department has taken a second look at the problem which exists in this particular area of the province and, as I understand it, has kept the Sydney office open, or at least it is largely undisturbed. I strongly urge the minister to take a second look at the Pictou County area of my constituency where we have heavy industry, a lot of labour unions and a lot of people adversely affected by the government's policy on this matter.

I do not like to take my allotted time reading things into the record, Mr. Speaker, but I do wish to quote from a letter sent by one of our municipal clerks which sums up the situation admirably. In her letter she states:

> I have taken the matter up with our welfare officer and she informs me that under the present system at least four weeks elapse before the cheques are received. This period has, at times, been extended to nine weeks.
>
> A great deal of the money expended for welfare in this county is spent on families who are waiting for their unemployment insurance cheque. In this day and age practically no families can finance themselves for from four to nine weeks.
>
> Our welfare costs this year have greatly exceeded the costs of previous years and also greatly exceeded our estimates.
>
> If anything can be done to shorten the waiting period, it certainly would be of great assistance in lessening the tremendous welfare costs which we are now up against.

The letter is from Helen Carson, municipal clerk of the municipality of Pictou County. The minister has received numerous representations from labour groups in my constituency. He has received telegrams and messages dating back to last spring when he was warned of the chaos that would result from closing the regional office in New Glasgow, or at least from making drastic changes in it.

Having said that, I would like to make a few suggestions. First of all, Mr. Speaker, it seems rather incongruous to me that with regard to the Income Tax Act a citizen of this country is in effect put on the honour system. When he applies for a driver's licence he is put on the honour system. As far as the UIC system itself is concerned, his interim statement or bi-weekly statement of his eligibility is taken, and yet as far as his original acceptability is concerned it appears that the administrative and investigative waiting period is largely the reason why there is so much unacceptable delay.

• (10:10 p.m.)

I would like to suggest that this waiting period, if it is attributable to the necessity to investigate people, be eliminated and that a person be permitted to sign an affidavit so that his benefits can start as soon as the necessary deemed period, whatever it may be in the government's opinion, has passed. If the applicability or suitability for the recipient's benefit is to be examined, let it be examined on the government's time instead of the time of the working man who is waiting for those benefits which he feels are due to him.

Another thing that concerns me is what I consider the perversion that is being used in regard to vacation with pay acts across this country. If a person has benefits accruing to him, it often means that his UIC benefits do not start until the waiting period occasioned by vacation pay lapses. The minister had something to say about that in the House today. The incongruity is that if a person receives the benefits some time before a lay-off occurs, then no waiting period is imposed in respect of funds made available to him when laid off.

I suppose that in future, labour organizers and union negotiators will make sure that the vacation with pay is made available on an accrual basis so that it is not includ-

ed in the waiting period for the UIC benefits. It seems strange that a person could have $5,000 in the bank and receive UIC benefits or receive vacation pay moneys before he is laid off without undue interruption, but if $400 or $500 is due when his employment ceases he must wait until it is used up before the UIC benefit starts. If this is not bad enough, he must also wait four or five weeks after the benefits he has been allocated through vacation pay expire, once it is used up.

Surely there is no reason why, while he is receiving the moneys from his employer which represent his vacation pay and waiting for UIC, the administrative investigation could not be done then so that as soon as the vacation pay is used up he could begin receiving the UIC benefits. I think this is inexcusable. It seems to me analogous to what happened at DEVCO where the UIC Act was used to supplement DEVCO legislation. Here we have vacation pay used in effect to at least supplement if not modify provisions of the UIC regulations.

In this day and age, Mr. Speaker, I see no reason why a person who is going to receive unemployment insurance benefits should not receive them immediately. I do not see why a person's simple affidavit or declaration would not be sufficient to determine his eligibility. If people are dishonest, then they can be caught while benefits are being paid to them and can be prosecuted in the same way as under the Income Tax Act.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, this afternoon the minister stated that shortly he hoped to be in a position to describe in more detail procedures designed to speed unemployment insurance benefit payments. However, the Unemployment Insurance Act (1971), section 48(2) provides for assignment of benefits to provincial government or municipal authorities. I can tell the House, Mr. Speaker, that officials of the Unemployment Insurance Commission have completed detailed discussions with all provincial governments in this regard and agreement has been reached on the administrative procedures that will be followed.

Briefly, the procedure will be that when an individual presents himself at a welfare agency with a request for financial assistance because his unemployment insurance claim has been delayed, the welfare officer will establish contact with the Unemployment Insurance Commission district office involved. If it is determined that a claim has been or will be delayed beyond four weeks through no fault of the claimant, the welfare officer can suggest to the claimant that he assign his entitlement to benefit to the agency for the week or weeks concerned. Each month the Unemployment Insurance Commission will send a list to the province showing details of the assignments that have been honoured, together with a cheque to cover the total amount. The details on the list will permit distribution to the local agencies concerned.

It is noteworthy that this procedure does not provide for assignment at the discretion of the welfare officer, but I am sure hon. members would agree that it does permit control over the possibility of duplication of payments.

[Mr. MacKay.]

CRIMINAL CODE—POSSIBLE AMENDMENT TO ENSURE STRICTER CONTROL OVER GUNS IN LIGHT OF MURDER INCREASE

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this afternoon I asked the Minister of Justice (Mr. Turner) if he was considering amendments to the Criminal Code to restrict the availability of firearms and other dangerous weapons. The minister replied that the government and Parliament has taken serious action on this matter in 1968 and 1969 when we passed the Criminal Code omnibus bill. It is true that we took action on this matter in 1969 and that we passed amendments at that time which went in the right direction. However, I do not think they went far enough. I said so at the time and I repeat this tonight.

Last Thursday, a 35-year old Montreal policeman, Constable Jean-Guy Sabourin, was shot by a bandit with a machine-gun. This tragic incident took place when three bandits had just finished robbing Simpsons' department store in downtown Montreal. One might ask where these bandits got a machine-gun. Would the police constable have died if the machine-gun had not been available? Would the bandits have attempted the robbery if such weapons were not available?

I submit, Mr. Speaker, that the easy availability of dangerous weapons in this country is a scandal. There is no reason for it. It is a strange society where there is more control over the licensing of cars and car drivers than over weapons and there is more control over the sale of liquor than there is over the sale of guns and ammunition. Just down the street, here in Ottawa, a store has set out guns in its window as possible Christmas gifts.

An hon. Member: Shame.

Mr. Allmand: Earlier this fall I presented a motion in the House of Commons to have the Standing Committee on Justice and Legal Affairs conduct an investigation into the nature and causes of violent crimes in Canada and to report proposals to the House of Commons for correcting this situation. One of the matters that I would expect such an investigation to deal with is the availability and control of weapons. There are also many other matters it could deal with. I still urge the government to initiate such an investigation. In the meantime, however, I strongly urge the government to tighten up the control of dangerous weapons.

In particular, I should like to make the following suggestions. First, all firearms should be sold by retail only through government stores run under a gun control agency. Perhaps this agency could be under the authority of the RCMP or the Attorneys General of the provinces. Second, they should only be sold on application and there should be a delay of perhaps one or two weeks between the receipt of the application and the sale of the gun. There should be a separate application for each weapon, and there should not be a general permit to carry weapons for all purposes. Third, all such applications should be distributed to the police authorities and they should be given public notice. Citizens and public authorities should be allowed to file objections to any such sale or permit. Fourth, applications for sale should only be granted after the applicant has passed a test indicating that (a) he

knows how to handle the weapon properly and safely; (b) that he knows the different laws and regulations relating to firearms, and (c) that he has assured the authorities that he needs the weapon for the defined legal purposes set out in the law.

Fifth, the application should only be granted where the applicant needs the weapon as a peace officer, where he needs it to hunt for his food and clothing, when he wishes to hunt for sporting purposes under controlled conditions or where he needs it to protect his life and property, in certain cases. Sixth, the holder of a permit for a firearm should file a report with the gun control agency each year indicating the use and present condition of the weapon. Seventh, no holder of any firearm should be allowed to sell, trade or give away a weapon. Once a weapon is no longer required, it should be turned back to the government-run gun control agency.

• (10:20 p.m.)

Eighth, under no circumstances should a person other than a peace officer be allowed to own, possess or use a handweapon, shortened rifle or shotgun or rapid-fire gun such as a machine-gun. These weapons are presently described as restricted weapons. I feel they should be described as prohibited weapons except for peace officers. Ninth, no one should be allowed to manufacture or import firearms unless they have the strict authorization of the government gun control agency.

Many people will state that these rules are not necessary, that they go too far and nothing is wrong with having a gun if it is used properly. It is probably true that most people who have guns are no threat to society, but on the other hand we have to measure the balance of benefits to society in permitting or restricting the availability of weapons. Despite the fact most people use weapons properly, we are still faced with the situation that they are too available for those who wish to use them for criminal purposes, such as happened last week.

Consequently, I suggest there is greater benefit to be gained by society in a stricter control of these weapons than the benefit now enjoyed by those who use guns under the present law. If such a law saved only one life per year, such as that of Constable Sabourin, it would be well worth it and would compensate for the inconvenience of those who do not have the full availability of guns.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, may I think, first of all, my two colleagues from Madawaska-Victoria (Mr. Corbin) and Lapointe (Mr. Marceau) who constitute a most inspiring audience.

Mr. Speaker, the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) brought up a matter from which stems the terrible tragedy which occurred last week in Montreal when police agent Jean-Guy Sabourin, in the course of his duties as agent of the peace, was savagely slain by a gangster armed with a submachine gun.

On behalf of the Minister of Justice (Mr. Turner) and on my own behalf, I wish to offer Mrs. Sabourin and her three young children, as well as the other members of the family, our heartfelt and most sincere condolences.

The minister and the government are genuinely concerned with savage acts perpetrated against those who are invested with the duty of protecting society, people and goods.

The hon. member does know that in 1969, thanks to the present government and to the Minister of Justice in particular, substantial amendments were made to the Criminal Code in connection with firearms and particularly those with restricted uses like machine guns.

In this regard I shall refer the hon. member to section 83 of the Criminal Code and the following sections with which he is well acquainted and which appear in the 1970 edition.

When these amendments were being prepared, the idea of general registration of all firearms was examined from every angle and the RCMP was consulted in this respect. However, the conclusion arrived at was that such a procedure would be difficult if not impossible to enforce.

We appreciate the difficulty of producing faultless legislation whether in the field of criminal law or in any other. There will inevitably be imperfections.

Therefore, Mr. Speaker, I would assure the hon. member for Notre-Dame-de-Grâce that I shall consider it a duty to pass on his suggestions to the Minister of Justice.

Motion agreed to and the House adjourned at 10.27 p.m.

HOUSE OF COMMONS

Tuesday, December 21, 1971

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

COMMITTEE REPORTS

JUSTICE AND LEGAL AFFAIRS

Eleventh report of Standing Committee on Justice and Legal Affairs—Mr. Gervais (Sherbrooke).

[*English*]

PROCEDURE AND ORGANIZATION

Tenth and eleventh reports of Standing Committee on Procedure and Organization—Mr. Blair.

[*Translation*]

TRANSPORT AND COMMUNICATIONS

Ninth report of Standing Committee on Transport and Communications, in the two official languages—Mr. Lessard (LaSalle).

(*Editor's Note: For text of above reports, see today's Votes and Proceedings.*)

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[*English*]

THE SENATE

SUGGESTED ABOLITION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under the provisions of Standing Order 43. In view of comments that have been made by members in all parties during the last day or so, I believe that this time there will be the necessary unanimous consent. The motion is also one that would save the taxpayers several millions of dollars. I therefore move, seconded by the hon. member for Vancouver East (Mr. Winch):

That this House urges that arrangements be made for the early consideration of Bill C-133, or that the government itself introduce a measure to abolish the Senate, and that the making of appointments to that body cease forthwith.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

Mr. Nowlan: The way they have acted they should be "debolished".

An hon. Member: "Debolished"?

Mr. Nowlan: "Debolished" and demolished.

* * *

ENERGY, MINES AND RESOURCES

TABLING OF DEPARTMENTAL REPORT FOR YEAR ENDED MARCH 31, 1970

Mr. Allan B. Sulatycky (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, in accordance with Standing Order 41(2) I wish to table, on behalf of the Minister of Energy, Mines and Resources (Mr. Greene), copies in both official languages of the department's annual report for the fiscal year ended March 31, 1970, pursuant to section 5 of the Department of Energy, Mines and Resources Act.

* * *

LABOUR CONDITIONS

JOB VACANCY SURVEY—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I request unanimous consent of the House to propose a motion under Standing Order 43 on a matter of urgent necessity. I hope Your Honour will allow me the necessary minute to give a brief, succinct but necessary preamble.

Early in 1967 the Bureau of Statistics, now Statistics Canada, projected a large-scale program of occupational job vacancy surveys for the use of business, industry, the federal and provincial governments, and universities. The main purpose of the survey is to provide a measure of the demand for labour in Canada. The data can be used to assist in formulating manpower training, immigration policies, educational courses, and the development of career planning. Late in 1969—this is my last sentence, Mr. Speaker—the program began to operate. In the past two years Statistics Canada has supplied such data to the Department of Manpower and Immigration on a regular basis but has withheld this data from the provincial governments and the public. I would like to propose, seconded by my colleague the hon. member for Central Nova (Mr. MacKay):

That this House orders Statistics Canada and the responsible ministers to cease the suppression of this $3 million, 106-man job vacancy survey and immediately publish the survey together with all relevant and incidental material.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

INDUSTRY

PULP AND PAPER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to propose a motion under Standing Order 43 on a matter of urgent and pressing necessity. The continuing daily crisis experienced by the pulp and paper industry across Canada, resulting in unemployment and social problems for many thousands of Canadians, emphasizes the need for measures by government to consider the problem as a national emergency. I therefore move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That the government appoint a joint committee consisting of members of Regional Development, Labour, Manpower and Immigration, Finance, Trade and Economic Affairs to analyse the problem and identify the solutions which could alleviate the difficulties faced by the pulp and paper work force.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

• (2:10 p.m.)

CANADA-U.S. AUTOMOTIVE PACT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise under the provisions of Standing Order 43 which provides that in cases of urgent and pressing necessity a motion may be moved if unanimous consent is given. I should say, Mr. Speaker, that I have taken care to distribute copies of this motion to the House leaders and I expect that, given the urgency of the matter, I will get unanimous consent and no debate will be necessary.

The matter of urgent and pressing necessity arises out of statements made yesterday by the Minister of Finance (Mr. Benson) in which the minister suggested that a ceiling is to be placed on the level of Canadian automotive production. This position flatly contradicts the second stated purpose of the Canada-United States Automotive Agreement, Article 1(b), which asserts Canada is to have a "fair and equitable" share in the future growth of the total automotive market of the two countries.

Therefore, under the provisions of Standing Order 43, I ask leave to move, seconded by the member for Brant (Mr. Blackburn):

That this House reasserts its commitment to Article 1(b) of the Canada-United States Automotive Agreement which reads:

"The liberalization of United States and Canadian automotive trade in respect of tariff barriers and other factors tending to impede it, with a view to enabling the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries".

Mr. Speaker: Is there unanimous consent?

[Mr. Speaker.]

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

GOVERNMENT HOUSE

DESIGNATION AS RIDEAU PALACE

Mr. Murray McBride (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-276, respecting the designation of Rideau Hall and Government House as Rideau Palace.

Some hon. Members: Explain.

Mr. McBride: Mr. Speaker, the bill I put forward today does not basically alter anything. It clarifies what already exists. Its purpose is to designate as Rideau Palace the residence situated in the National Capital Region presently known as Government House and also referred to as Rideau Hall in order to indicate more accurately to both Canadian citizens and visitors from other nations that it is the home of the Queen's representative.

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

ORAL QUESTION PERIOD

INDUSTRY

AUTOMOBILES—EXEMPTION FROM UNITED STATES DISC LEGISLATION—MAINTENANCE OF AUTO PACT SAFEGUARDS

Mr. H. W. Danforth (Kent-Essex): I would have liked to direct my question to the Minister of Industry, Trade and Commerce, Mr. Speaker, but perhaps I may be allowed to direct it to the Prime Minister because of his intimate knowledge of the subject. In view of the tremendous number of Canadian jobs at stake and the great importance to the immediate future of the Canadian automobile industry as a whole, can the government assure the House that every effort is being exerted to influence the United States government to exempt the automobile industry from the provisions of the new DISC legislation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this matter has been discussed. I do not know if discussions are now going on regarding DISC with our Washington counterparts. When the minister returns from a trade mission to Morocco, I believe later this day, I will refer the question to him.

Mr. Danforth: Mr. Speaker, may I direct a supplementary question to the right hon. gentleman. Is the government taking a definite stand to safeguard the present provisions of the Canada-United States auto pact in the negotiations currently taking place, and are we advancing the proposition that the DISC provisions appear to be a direct violation of the GATT?

Mr. Trudeau: Yes, Mr. Speaker. According to my recollection, at the very outset when the DISC provisions were known about, although at that time we did not know in what form they would pass the American Congress or the American executive, we said that they were a contravention of GATT as we understood it.

CANADA-U.S. AUTO PACT—POSSIBLE CEILING ON CANADIAN PRODUCTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of the statement made yesterday by the Minister of Finance, can the Prime Minister inform the House whether agreement has been reached between Canada and the United States to set a ceiling, either now or in future, on the level of automotive production in Canada?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. No agreement has been reached along those lines.

Mr. Broadbent: Since the Minister of Finance referred to certain guarantees or protective devices that would ensure that a certain level of production would be maintained in Canada, can the Prime Minister inform the House as to what form these guarantees or protective devices are to take? Are they to be in the form of letters of commitment from the manufacturers or in the form of safeguards contained in a written agreement between Canada and the United States?

Mr. Trudeau: Mr. Speaker, this involves the whole matter of the negotiations between Canada and the United States which have been going on for many months. I do not think it would be appropriate at this time for me to say what stage they have reached, nor what final form they will take.

* * *

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS IN BRITISH COLUMBIA

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, my question was for the Minister of Labour but in his absence perhaps I could direct it to the attention of his parliamentary secretary. Can the minister or his parliamentary secretary indicate what is the basic cause of the confusion in the payment of unemployment insurance benefits, particularly in the lower mainland of British Columbia, which has resulted in increased welfare costs in some cases? Would the hon. gentlemen look into this grievous situation immediately?

Mr. Alexander: That problem exists all over the country.

* * *

[*Translation*]

AGRICULTURE

FEED GRAIN—MEASURES TO ESTABLISH PRICE PARITY BETWEEN EASTERN AND WESTERN CANADA

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the hon. Minister of Agriculture.

Considering the price difference eastern producers must pay for feed grains, can the hon. minister do something to improve the situation?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we spend over $20 million per year in assisting with transportation in order to bring the prices as close together as possible.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a supplementary question for the hon. Minister of Agriculture.

Does he consider the millions of dollars the federal government has paid are enough to do justice to eastern and western producers on the same products?

Mr. Speaker: Order. The hon. member for Bellechasse invites the minister to express an opinion. As asked, the question is not acceptable.

I now recognize the hon. member for Joliette who has a supplementary.

FEED GRAINS—MEETING BETWEEN MINISTER AND CATHOLIC FARMERS UNION

Mr. Roch La Salle (Joliette): Thank you, Mr. Speaker.

Since an important UCC delegation will be in Ottawa tomorrow in order to discuss feed grains, is the minister going to meet with them?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. I think there will be several other members of the Liberal caucus as well as other ministers who will meet with them.

* * *

POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—REQUEST FOR STATEMENT ON NEGOTIATIONS—AVAILABILITY OF TECHNICAL APPENDICES TO ENVIRONMENTAL REPORT

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, my question relates to the proposed James Bay water diversion and power project and the report expected thereon shortly. In the absence of the Minister of the Environment perhaps I could direct my question to the Prime Minister. Do I have the attention of the Prime Minister, Mr. Speaker? In view of the concern in many quarters, will the Minister of the Environment or the Prime Minister make a statement on motions, preferably tomorrow, on the status of negotiations between the federal and provincial governments on this project? The reason I ask the question is that there is a great deal of concern whether negotiations are proceeding without public knowledge.

• (2:20 p.m.)

Mr. Speaker: Order, please. The hon. member has asked his question. He should allow the reply to be given.

Inquiries of the Ministry

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I doubt very much that the minister will be able to make a statement tomorrow on motions. May I assure the hon. member that the report of the joint federal-provincial task force will be made public early in the new year. It will be a public report, and the technical papers which serve as a basis for the report will also be made available.

Mr. Aiken: When the report is made public, will all the detailed appendices to the report appear with it?

Mr. Corbin: As I said, Mr. Speaker, the technical appendices to the summary report will be made available.

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—OBTAINING OF PERMISSION BY QUEBEC UNDER NAVIGABLE WATERS PROTECTION ACT

Mr. G. W. Baldwin (Peace River): I have a supplementary question. The parliamentary secretary might take notice of it for the minister. In light of the environmental tragedies which have taken place in other parts of Canada, is the government able to give an assurance that this project will not proceed until the province of Quebec has sought permission under the Navigable Waters Protection Act and/or such other federal regulations as may be applicable and that there will be no commencement of construction until these actions have been taken and completed?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I assure the hon. member that all possible environmental consequences of the development of this project will be looked at very seriously.

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—EFFECT ON CANADIAN DOLLAR OF FOREIGN CAPITAL INFLOW

Mr. Max Saltsman (Waterloo): May I direct a supplementary question to the parliamentary secretary. Will the study of the environmental effects of this project be accompanied by a study of the effects on the Canadian dollar from the massive inflow of capital for this project?

Mr. Speaker: Order, please. Perhaps the hon. member might ask a supplementary and the Chair will then move on to the next subject.

Mr. Saltsman: As the parliamentary secretary does not seem to be in a position to answer that question, I will direct my supplementary to the Prime Minister. Is some consideration being given to the effect this project will have on the value of the Canadian dollar?

Right Hon. P. E. Trudeau (Prime Minister): I will take this matter up with the parliamentary secretary, Mr. Speaker.

[Mr. Speaker.]

THE SENATE

AMENDMENTS TO INCOME TAX LAW AT NEXT SESSION INDICATED TO MEMBERS—POSSIBLE TASK FORCE ON REFORM OF INSTITUTION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, will the Prime Minister advise the House of Commons what sections of the so-called tax reform bill the Minister of Finance informed the Senate, if they passed the bill as it was, incomprehensible or otherwise, would be amended at the next session?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not realize the question was directed to me. I think I caught the gist of it. The Minister of Finance has been saying all along that a complex bill of this size might happen to have some sections which might have to be clarified in the future. If so, as was the case with previous tax bills, we will clarify them in future sessions.

Mr. Diefenbaker: In view of the incomprehensible position in which the other place finds itself as a result of pushing through legislation it did not understand and which was bulled through the House of Commons—

Some hon. Members: Oh, oh!

Mr. Diefenbaker: —will the Prime Minister say whether now, 46 years after the Right Hon. Mackenzie King promised reform of the Senate, he intends to set up a task force in respect of the Senate?

Mr. Trudeau: Mr. Speaker, on the premise of the question about the ability of the Senate to understand or otherwise, I think it is premature for the right hon. member to speak in their name. As for the question itself, I would remind the House that the government did present a white paper on the constitution in which was included a proposal for reform of the Senate. It was linked with a series of other measures of constitutional concern but, as the right hon. member knows, agreement has not been reached.

Mr. Diefenbaker: In view of what the other place did yesterday in connection with the income tax bill, would this be one of the matters which would be taken into consideration in determining the nature of the reform of the Senate?

Mr. Trudeau: If the right hon. member would refresh his memory in connection with what we proposed by way of reforming the Senate he would see that what has happened in the past days in the other place would have little bearing on it.

[*Later:*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my supplementary is to the Prime Minister and it reverts to the statement he made that the Minister of Finance had indicated to the Senate banking and commerce committee that there were areas in which amendments would be brought forward. Is it the intention of the Minister of Finance and the administration to maintain the same standard of performance they displayed with regard to the Estate Tax Act, where the minister indicated to the Senate that amendments would be brought forward

immediately to correct obvious deficiencies but no amendments were ever brought forward and the act was repealed?

Mr. Trudeau: Mr. Speaker, we always try to have the highest possible standard of performance.

Mr. Lambert (Edmonton West): In other words, there will not be any amendments.

* * *

TRADE

ENTRY OF AGRICULTURAL PRODUCTS INTO EUROPEAN COMMON MARKET—DISCUSSION WITH PRIME MINISTER HEATH—ASSURANCE OF BRITISH CO-OPERATION

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the Prime Minister whether he raised the subject of trade in agricultural products with the European Common Market in the course of his recent discussions with Prime Minister Heath? If he did so, was he able to obtain assurances of British co-operation when that country enters the Common Market?

Right Hon. P. E. Trudeau (Prime Minister): This question was considered in general terms. When the Prime Minister of Britain and I discussed it I merely reiterated the position which had been taken on previous occasions by the Minister of Industry, Trade and Commerce and by the Secretary of State for External Affairs. The British Prime Minister indicated again that he thought the co-operation of the Canadian government or, rather, the understanding of the Canadian government with respect to the British position would be an incentive to them to try to keep our interests in mind when the whole matter is discussed in the European Common Market.

Mr. Benjamin: Since President Nixon has taken initiatives on behalf of United States agriculture in his meetings with both President Pompidou and Prime Minister Heath in connection with trade with the Common Market, would the right hon. gentleman tell the House whether he intends to involve himself on behalf of Canadian farmers in the discussions which are going on and, if so, would he be prepared to make a statement on motions?

Mr. Trudeau: No, Mr. Speaker. If any statement were to be made on this subject I think it would be made by the appropriate minister, not by myself.

ENTRY OF AGRICULTURAL PRODUCTS INTO EUROPEAN COMMON MARKET—DISCUSSION WITH PRESIDENT NIXON

Mr. Les Benjamin (Regina-Lake Centre): May I ask the Prime Minister whether in his conversation with President Nixon the question of entry of agricultural products into the European Common Market was discussed? Was he aware of the intention of the President to take initiatives when he met with President Pompidou and Prime Minister Heath?

Right Hon. P. E. Trudeau (Prime Minister): I was, of course, aware that one of the thrusts of Mr. Nixon's economic policies was to bring the Common Market countries to a realization that they would have to consider arranging for a different and better deal on the agricultural side with non-members of the Common Market. In this sense, not only was I aware of what the President had in mind but we referred briefly to that point. I am not sure whether the hon. member wants any further information.

EUROPEAN COMMON MARKET LEVY SYSTEM—POSSIBILITY OF SIMILAR ACTION BY CANADA

Mr. R. E. McKinley (Huron): Is the government giving any consideration—I shall address my supplementary to the Minister of Agriculture because the Prime Minister is not listening. Is the government giving any consideration to the setting up of a levy system in Canada to counteract the levy system under which producers have the privilege of operating in the European Common Market?

Hon. H. A. Olson (Minister of Agriculture): It is well known that the government's position is to liberalize trading relations, not to add further restrictions.

* * *

• (2:30 p.m.)

REGIONAL ECONOMIC EXPANSION

GRANT TO SAUNDERS AIRCRAFT LIMITED—FAILURE TO HIRE CANADIAN WORKERS

Mr. Craig Stewart (Marquette): Mr. Speaker, may I direct my question to the Minister of Supply and Services or the Acting Minister of Regional Economic Expansion. In light of the fact Saunders Aircraft Limited of Gimli is receiving approximately $2,000 per job in federal assistance, is the government going to hold talks with this company on its apparent inability to employ Canadian workers?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do know that the Department of Manpower and Immigration is looking into the matter and I am sure that the minister or his parliamentary secretary will have an answer if the question is asked tomorrow.

* * *

[*Translation*]

FINANCE

INCREASE IN PRICE OF GOLD—CONTINUANCE OF ASSISTANCE TO PRODUCERS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce, as well as of the Minister of Finance, I shall put my question to the Prime Minister.

In view of the increase in the price of gold, from $35 to $38 an ounce, can the government assure this House that the increase will not affect the subsidies now paid to Canadian gold producers?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I cannot give this assurance, but I am taking note of the question.

Inquiries of the Ministry

[*English*]

INDUSTRY

PULP AND PAPER—SPECIAL PLANS TO OFFSET EFFECTS OF SHUTDOWNS

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, my question is for the Prime Minister. What special plans can the government announce that might meet the very grave effects of the shutdowns in the pulp and paper industry at Bathurst, New Brunswick, and at other centres, which were the subject matter of meetings between the premier of New Brunswick and the Minister of Regional Economic Expansion last Friday?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not had a report on these meetings and therefore I cannot answer the question at this time.

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POST OFFICE

INTEGRATION OF URBAN TRANSPORTATION SERVICES—COMPLAINTS BY CERTAIN WESTERN CARRIERS ABOUT COMPENSATION

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the Postmaster General. Last Friday the Postmaster General stated in the House that he had not received the letter from the five western carriers outlining their complaints about adequate compensation when the Post Office takes over their businesses in 1972. I should like to ask the Postmaster General whether he has received their letter and also whether a positive reply has been made in order to avert unnecessary disruptions of postal services?

[*Translation*]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, I received the letter alluded to in the House a few hours after leaving the House, last Friday.

A reply will probably be sent tomorrow inviting those who are really interested to come and meet the officials of my department here in Ottawa.

* * *

[*English*]

URBAN AFFAIRS

POSSIBLE REMOVAL OF E. B. EDDY PLANT FROM HULL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of State for Urban Affairs. Is it the intention of government to remove the E. B. Eddy plant in Hull at public expense? If so, when is the move anticipated and what is the estimated cost?

Mr. Speaker: Order, please. I would suggest to the hon. member that a question which obviously cannot be urgent today ought normally to be placed on the order paper. If there is urgency about a reply, the matter can be considered at the time of adjournment.

[Mr. Trudeau.]

INDIAN AFFAIRS

APPOINTMENT OF REPRESENTATIVE ON PAROLE BOARD AND COURT WORKERS TO ASSIST PERSONS CHARGED

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Solicitor General. In view of the representations made by the Native Council of Canada to the Solicitor General last Friday, and particularly the serious shortage of Indian court workers to help Indian inmates in their court appearances and their rehabilitation, and also in view of the absence of any Indians on the federal parole board, when will the Solicitor General be appointing Indian court workers and a representative on the federal parole board?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): In the first place, Mr. Speaker, I was quite surprised at the comments of some delegates to the press because they were not at all in accordance with our agreement. The meeting was quite friendly.

To answer more precisely the point raised by the hon. member, I must say that the Senate is now considering the parole system and since we have not yet received its report and studied its recommendations, I do not think that it would be appropriate for me to comment on that suggestion. However, it is sure that if citizens are to take part in the operation of the Board, Indians as such will have their large share.

* * *

[*English*]

EXTERNAL AFFAIRS

REPRESENTATIONS TO FRANCE FOR CO-OPERATION IN PREVENTION OF DRUG SMUGGLING

Mr. Cliff Downey (Battle River): Mr. Speaker, my question is directed to the right hon. Prime Minister. In view of the fact that France was not included in the 14 European countries that have agreed to work with the United States to combat drug smuggling, will Canada be making representations to appropriate officials in France to solicit their co-operation in this vital area?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of this question on behalf of the Secretary of State for External Affairs.

* * *

INDUSTRY

WINDING UP OF EMPLOYMENT SUPPORT ACT—CONSIDERATION OF APPLICATIONS NOT YET APPROVED

Mr. Norman A. Cafik (Ontario): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce but in his absence I should like to direct it to his very capable parliamentary secretary. In winding up operations under the Employment Support Act, will applications made under the act that have not yet been approved still be given consideration for the period during which the 10 per cent surcharge remained in force?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Yes, Mr. Speaker. Arrangements under the Employment Support Act are such that companies entered into agreements with the government to maintain a certain level of employment in return for which the government would pay a certain amount of money. So companies would be eligible to apply, and to continue to apply, for assistance for the period up until December 20, at which time the Employment Support Act no longer applied to the United States surtax.

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NATIONAL CAPITAL COMMISSION

SUGGESTED APPOINTMENT OF NEW CHAIRMAN

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the Prime Minister. In order to provide a restful season for the people of Ottawa who are mainly affected, would the Prime Minister announce before the end of the year the new appointment to the National Capital Commission of a balanced, forward-looking, sensible chairman?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the present one has not resigned, but if ever he should I will try to find one as good as he is.

Some hon. Members: Hear, hear!

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GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENTS—REQUEST FOR REPORT ON INVESTIGATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the Prime Minister's reference to trying to find something reminds me of certain outstanding leaks. I should like to ask the right hon. gentleman whether the government has succeeded in finding the source of the leaks of confidential documents that apparently took place about five weeks ago?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Stanfield: In view of the seriousness of the matter to the government and certainly to the people of this country, may I ask whether the Prime Minister will make a statement to the House before the House adjourns, either before Christmas or the end of the year as the case may be, regarding the status of the investigation and as to how the government intends to proceed to trace the source of these leaks within the government service?

Mr. Guay (St. Boniface): Raking the bottom of the barrel, Bob.

Mr. Trudeau: Mr. Speaker, I do not think any statement is called for. I have answered the question as directly as possible when I said the investigation is proceeding and that there is nothing to report at this time.

Mr. Stanfield: On a point of order in regard to the remark made by the hon. member for St. Boniface, Mr. Speaker, I was not even raking the Prime Minister, let alone the bottom of the barrel.

Mr. Speaker: Is the hon. member rising on a point of order?

• (2:40 p.m.)

Mr. Guay (St. Boniface): Mr. Speaker, I would like to thank the Leader of the Opposition. I will take his comments as notice and give him an answer at a future date.

DUTIES OF NEW APPOINTEE TO CABINET, W. R. LUYENDYK

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a supplementary or at least a related question for the Prime Minister. In view of the announcement of a few days ago that Mr. W. R. Luyendyk has been appointed Assistant Secretary to the Cabinet—Security and Intelligence—can the Prime Minister say whether this gentleman's functions are confined to this area or if he has other duties and can he also say what relationship there is between his duties and security and intelligence in the RCMP and in the Solicitor General's group as well?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I really cannot answer that in a few words. There has always been to my knowledge someone in the Privy Council office concerned with advising the cabinet on security matters and providing the secretariat for that area of government, much as there are other secretariats in the area of federal-provincial relations, economic policy, and so on. This is merely a matter, I believe, of replacing one gentleman who has left because of health reasons by another gentleman who is healthy.

Mr. Speaker: Order, please. I think at this point I should bring to the attention of hon. members that we will soon be running short of time and some hon. members to my left have been having quite a bit of exercise this afternoon.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I wonder if the Prime Minister has overlooked the fact that this gentleman's duties are not only security but also cabinet intelligence.

Mr. Speaker: Order please.

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[*Translation*]

NATIONAL DEFENCE

LA MACAZA—MEASURES TO ESTABLISH NEW USE FOR BASE

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have a question for the Minister of National Defence.

Considering that it was announced recently that the base at La Macaza was to be closed down, would the minister tell the House if anything has been done to dispose of this base, if the buildings and the land have been put up for sale, and if he intends to announce any such

measures so that the people of the area may know what is going to happen?

Hon. Donald Macdonald (Minister of National Defence): Mr. Speaker, we have had discussions with representatives of the people of the area, in which I and my colleague, the Minister of Regional Economic Expansion, have taken part. It is true that we intend to close this base next September. Meanwhile, my colleague, the Minister of Regional Economic Expansion, is taking under consideration the suggestions that were made and the possible uses to which the base and its facilities could be put.

* * *

[*English*]

AGRICULTURE

POSSIBLE PURCHASE OF POTATOES FOR EXTERNAL AID DISTRIBUTION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct to the Minister of Agriculture a question which is very like unto that I directed to his parliamentary secretary a few days ago. In consideration of the serious depression of the potato industry in this country, can the minister advise whether he is taking any steps or making any overtures to emulate the excellent example of the United States government which has just purchased vast quantities of potatoes for distribution in processed form for external aid welfare programs.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, while we have offered to the world food program dehydrated potatoes in several forms we have no firm commitment that they wish to have them, but I can advise the hon. gentleman that several weeks ago we put forth a program to buy a large quantity of potatoes in Canada too.

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PENITENTIARIES

DORCHESTER—ALLEGED DENIAL OF VISITING PRIVILEGES TO MEMBERS OF BLACK UNITED FRONT—REQUEST FOR INVESTIGATION

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I rise simply to ask the Solicitor General whether he has an answer to the question I asked him last week concerning allegations by the Black United Front.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, representatives of the Black United Front visited the Dorchester penitentiary twice. They were able to meet the inmates. Following statements of these representatives published in the press, to the effect that they had been misquoted, a meeting has been arranged for December 22 in Dorchester between representatives of the Black United Front and the penitentiary authorities in order to consider the grievances of the Black United Front and of the inmates, as well as the type of program recommended to the authorities by the Black United Front to assist in the rehabilitation of the inmates.

[*English*]

Mr. McCleave: Mr. Speaker, I thank the minister for clearing the air and simply request that after the meeting is held on December 22 perhaps a further public statement would be made. I realize we may not be meeting at that time, but it is important to have the air cleared on this matter.

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EDUCATION

SUGGESTED DISCUSSION WITH PROVINCES OF YEAR-ROUND OPERATION OF UNIVERSITIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Prime Minister. In view of the Prime Minister's suggestion recently that university education should be on a year-round basis, is he now prepared to discuss the necessary financial arrangements with the provinces?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the member should know that we have contributed to the tune of nearly $1 billion a year to post-secondary education and this itself should be an indication of the government's willingness to participate in the financing of post-secondary education.

Mr. Nystrom: May I ask the Prime Minister whether he will discuss his specific proposal about year-round university education with the provinces and whether or not he will do so in the near future?

Mr. Trudeau: Mr. Speaker, it is not on any agenda of any meeting, if that is what the member is asking, but it seems to me this is the kind of thing the provinces should be able to do on their own. I am willing to remind them from time to time if the member wants me to.

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HOUSING

ROCHDALE COLLEGE—SUGGESTED CLOSING IN LIGHT OF GRAND JURY REPORT

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I have a question for the Minister of State for Urban Affairs dealing with the report that a grand jury in Toronto has recommended the closing of Rochdale College. Would the minister say whether or not his department will now consider closing the college and seeking an alternative use for the facilities?

Hon. Robert K. Andras (Minister of State for Urban Affairs): Mr. Speaker, I have explained this before. Last August we began proceedings toward foreclosure. The matter is now before the courts so I cannot go into great detail, but we are hopeful of obtaining possession and financial control at the end of this month. There is nothing we can do to speed up that process and still respect the law in this situation. I might say too that since last August, although far from perfect, the housekeeping, the behaviour pattern and a whole series of things at Roch-

dale have improved, so I fail to see why there should be so much gloom and doom about the whole situation.

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POLLUTION

DISCUSSION WITH PROVINCES TO ACHIEVE NATIONAL STANDARDS OF CONTROL

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I would like to direct a question to the Parliamentary Secretary to the Minister of the Environment, following a question asked by the hon. member for Kent-Essex concerning Union Carbide moving from Ontario to Quebec because of the less stringent pollution control standards there. Is the parliamentary secretary in a position to give us some indication as to the department's thinking in this regard? I am thinking of whether in fact meetings are to be held with the provinces in order to standardize pollution standards and prevent this sort of thing happening.

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the department has been tackling this problem for quite a while now. We are working co-operatively with all the provinces to establish air pollution controls that would be uniform across Canada. On October 21 the Minister of the Environment tabled in the House of Commons proposed air quality objectives. If all provinces adopt legislation to enforce these objectives, uniform standards would be applied across Canada.

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NATURAL RESOURCES

OFFSHORE MINERAL RIGHTS—NEW INITIATIVES TO ESTABLISH POLICY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, I have a question for the Prime Minister. I wonder if the right hon. gentleman can tell us whether there have been any new initiatives taken lately by his government, the government of Nova Scotia or the governments of the other maritime provinces respecting the issue of offshore mineral rights and, second, whether this is a matter of high priority so far as the Prime Minister is concerned?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot at this time report any further measure of agreement. I am afraid the matter may have been slowed down a little bit because of the illness of the Minister of Energy, Mines and Resources. But I have, as recently as two months ago, made my views known to the Premier of Nova Scotia who told me then that he was going to have a meeting with the other Atlantic premiers or Maritime premiers to see if we could make some advance. I must confess I have had no report of that further meeting. I do not know if it took place and if there has been a report. I will look into the matter.

• (2:50 p.m.)

AGRICULTURE

FARM CREDIT CORPORATION FORECLOSURES—PROVISION OF LEASE-BACK ARRANGEMENT FOR FARMERS AFFECTED

Mr. Don Mazankowski (Vegreville): I should like to direct my question to the Minister of Agriculture. Having regard to the large number of foreclosures being undertaken by the Farm Credit Corporation, particularly in the province of Alberta, can the minister say whether any consideration has been given to providing a temporary lease-back arrangement in order to allow the farmers affected to re-establish themselves?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, I do not think any particular attention has been given at the moment to that aspect of these foreclosures, but I must remind the hon. member again that no foreclosures are proceeding that are not several years in arrears.

Mr. Mazankowski: With all due respect, may I tell the minister that foreclosures are being undertaken. I should like to ask the minister whether, in view of the policy outlined in March indicating an intention to help farm people who want to readjust, any consideration is being given under the gamut of that proposal to assisting these farmers to make that adjustment?

Mr. Olson: That aspect of it no doubt will be taken into account, and indeed has been, but of course that is not related to the other part of the question.

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PENITENTIARIES

BRITISH COLUMBIA—HIRING OF ADDITIONAL PERSONNEL TO RELIEVE STAFF SHORTAGE

Mr. Mark Rose (Fraser Valley West): My question is directed to the Solicitor General. In view of the fact unemployment is very serious in the lower mainland of British Columbia and in view of the fact the British Columbia penitentiary at New Westminster is reputedly shortstaffed in many of its classifications, is the minister aware of the overtime work being required at that institution from the existing staff and has he any plans to hire more personnel?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Yes, Mr. Speaker, we have prepared such program. In fact, we shall be recruiting some 100 people within a couple of months.

[*English*]

Mr. Rose: I am sorry, Mr. Speaker, but I did not quite get the minister's reply. Perhaps he has said this already, but were increased staffing plans considered in the introduction of new policies and programs within the correction service?

[*Translation*]

Mr. Goyer: Yes, Mr. Speaker.

[*English*]

VETERANS AFFAIRS

REPRESENTATIONS BY NATIONAL PRISONERS OF WAR ASSOCIATION FOR SAME ADVANTAGES AS HONG KONG VETERANS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Veterans Affairs. Would the minister advise whether he has received representations from the National Prisoners of War Association for consideration of their particular problems in line with the advantages granted to Hong Kong veterans under veterans legislation, and would he advise whether consideration is being given to referring the problem to the Standing Committee on Veterans Affairs?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): I have received on several occasions representations from the former prisoners of war and I have discussed this matter with them. At one stage my department reviewed 800 files and we have not discovered sufficient evidence to enact special legislation in their case. However, we have recommended to them that they themselves should apply for medical examinations and if they suffer from a special disability they will receive pensions accordingly.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

EXCISE TAX ACT AND OLD AGE SECURITY ACT

The House resumed, from Monday, December 20, consideration in committee of Bill C-260, to amend the Excise Tax Act and the Old Age Security Act—Mr. Benson—Mr. Honey in the chair.

The Chairman: When the committee rose on Monday, December 20, clause 1 of the bill was under consideration. Shall clause 1 carry?

Some hon. Members: Agreed.

Clause agreed to.

Clause 2 agreed to.

On clause 3.

Mr. Lambert (Edmonton West): Mr. Chairman, yesterday I asked the parliamentary secretary or the minister to advise the House whether any study had been made and whether they have received any representations from the electronics industry in this country. I asked the parliamentary secretary if he could inform us whether, as a result of the removal of the 15 per cent excise tax on electronic equipment, there had been any step up in the manufacturing and sale of Canadian equipment because this was the stated reason for the removal of the 15 per cent tax. The removal was not directed towards improving the price position of imported goods in this particular category. I should like to know what conclusions the government has reached and what information they may have gathered up to date.

[Mr. Goyer.]

Mr. Mahoney: The government does not have the results of any survey that it has done. However, the manufacturers of television equipment in Canada released a statement toward the end of October, which I believe was reported in the October 20 issue of the *Financial Post*, which indicated an upward revision of sales of colour television by them from something in the order of 345,000 to 445,000 sets during the current year. We consider that part of that substantial increase in sales can be attributed to the removal of the excise tax.

Mr. Lambert (Edmonton West): I wonder whether the parliamentary secretary can tell us the degree of Canadian content in those colour television sets, because it is my information that a great proportion of the components of these sets, even though they bear Canadian names, are merely assembled in Canada and do not represent actually any increase in the manufacture in Canada.

Mr. Mahoney: I am afraid that I have no information on that particular point.

Mr. Rowland: I would like to ask the parliamentary secretary whether the government has made any attempt to monitor the effects of the elimination of this tax since June 19 in order to determine whether or not the reduction in price, which could be represented by the removal of the excise tax, has in fact been passed on to the consumer. Have they been monitoring, for example, DBS statistics in that area?

Mr. Mahoney: There was an immediate announcement of price reduction in this area following the removal of the 15 per cent excise tax. It is our understanding that the market forces have resulted in the capacity of the Canadian industry being taxed to the full in recent months and prices seem to have followed the demand upward. However, there are certainly examples of special sales at the retail level that would indicate that in many cases lower prices are available.

Mr. Rowland: Am I to take it then that the removal of the excise tax has not resulted in a reduction in the price of the equipment affected by the removal?

Mr. Mahoney: No, Mr. Chairman, but the hon. member may take it that the DBS surveys that will be followed in this regard since June 18 are not completed as yet. I cannot answer on an official level. However, price reductions were announced, as I indicated, immediately following the tax change. The supply and demand situation seems to have moved prices upward. The manufacturers are operating at a very high level of capacity now, and demand in the Canadian economy has risen considerably for this type of goods in the past half year.

The Chairman: Shall clause 3 carry?

Some hon. Members: Carried.

Clause 3 agreed to.

On clause 4.

Mr. Skoberg: Mr. Chairman, yesterday we had some discussion on this clause with respect to granting

municipalities the same type of sales tax exemptions as are being granted to manufacturers. First of all, can the parliamentary secretary tell me the real purpose in granting this tax exemption? Is it a tax concession to encourage production, or a tax exemption to encourage the removal of pollution? This question must be answered before we can look at the clause in its proper perspective.

Mr. Mahoney: The removal of the excise tax on pollution control equipment used in processing and manufacturing is consistent with the policy of the government to encourage production and manufacturing, and hence employment. It is not specifically an incentive directed at pollution control so much as an incentive to manufacturers and producers to upgrade their facilities and thus have the result of reducing pollution.

Mr. Skoberg: In considering what the government has tried to accomplish in this regard within the past year and a half or two years, we have to look at the over-all structure of the two areas. We must determine whether this incentive will produce a climate in which manufacturers will be encouraged to undertake the type of pollution control that we would all like to see them undertake. I am rather amazed, after reading the correspondence that has been exchanged between the Minister of Finance and the Canadian Federation of Mayors and Municipalities, that the government has been so little concerned about granting a similar type of concession to municipalities. If we look at this from the point of view that a manufacturer is going to obtain some type of tax concession, then possibly we would argue against it. However, I point out that the relevant part of the clause reads:

—machinery and apparatus sold to or imported by manufacturers—

It appears, therefore, that manufacturers can import this machinery without paying this tax provided it is used for "detection, measurement, prevention, treatment, reduction of or removal of pollutants."

The Canadian Federation of Mayors and Municipalities tried to elicit information from the government on this matter. I am sure all hon. members have copies of this correspondence in their files. On June 25 last the Federation wrote, and I quote:

Under the present Excise Tax Act, municipalities are granted some specific exemptions for anti-pollution equipment. However, this list of items is limited and there is still much anti-pollution equipment such as incinerators, recycling systems and crushers on which municipalities must pay tax. It is our interpretation that under the terms of the new exemption municipal government will be the only institution paying federal sales tax on anti-pollution equipment.

The reply by the Minister of Finance on July 26 is along the lines of comments made yesterday by the hon. member for Edmonton West when he was speaking on this clause. Here is what the minister wrote, in part:

Were we to extend this exemption, the description of the equipment that would qualify for this exemption would be a complicated question. For example, incinerators, though they may reduce waste, also cause air pollution; regarding crushers, they have no other utility than to facilitate the transportation of wastes.

A further letter from the Federation dated September 15 spelled out in detail why it thought municipalities should be exempted under the provisions of this bill. In particular it asked the minister:

Exactly what are these definitional problems that appear to be so complex for municipalities but which you seemed not to face or were able to resolve in the case of manufacturers and producers?

That is the type of question someone on the government side must answer. If the problems were so complex so far as manufacturers and producers were concerned, how could they be resolved in their case but not in the case of municipalities? There should be no difficulty resolving the same types of problems with respect to municipalities.

In his further reply of October 22, the Minister of Finance tried to deal with this matter of how to distinguish between pollution control machinery that should be exempted and that which should not be exempted. The last paragraph of that letter reads:

You may have in mind the exemption that has been in the law for some years for equipment to carry refuse or waste from production machinery. Neither this exemption nor the exemption announced in June extends to motor vehicles.

It appears that we are simply going round and round the block. Away back on April 22, Mayor Ivan Dent presented a brief from the Canadian Federation of Mayors and Municipalities to the government, and in that brief commended the government for trying to do something about pollution control. But the position still exists that municipalities which purchase pollution control equipment do not receive the same consideration as manufacturers and producers.

Yesterday the hon. member for Edmonton West, speaking on this problem which was raised by myself and my colleague from Kootenay West, as recorded at page 10,643 of *Hansard* said:

To say that municipalities and provinces should not have to pay sales tax on machinery or apparatus used in the production of goods is not feasible.

Then, he went on to say:

—I do not think this is the place to do it—

He meant that such an exemption should not be made in this bill. But he failed to explain why municipalities should not be given the same consideration as producers and manufacturers. It seems as though we are just playing with words. Municipalities are a basic ingredient of our democratic society. They have to answer first so far as the public are concerned. They are trying to bring about pollution control, but the government says they are not to receive the same consideration as producers and manufacturers. We also know, Mr. Chairman, that in different areas of the country many apartment with incinerators do not receive consideration, and I am sure other hon. members will have something to say about that. It seems to me that our pollution control measures must be consistent, and we must also be consistent in our treatment of municipalities. Usually this government regards them as fairly credible bodies—especially when they want to foist more education costs on them—but now when it has a chance of doing something for these municipalities the government is found wanting.

• (3:10 p.m.)

I would therefore move:

That clause 4 of Bill C-260 be amended by inserting in line 29 on page 2, after the word "producers", also in line 36 on page 2, after the word "producers", and also in line 6 on page 3, after the word "producers", the following words, "or municipalities".

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I would like to ask the parliamentary secretary for fuller information regarding clause 4, particularly on the categories of dairy products affected by the bill. I agree with the frist part of the provision repealing old section 20 on pesticides, but I would like him to specify what happens to margarine, dairy products and edible oils, because the government has brought forward an amendment to this clause exempting the products mentioned above from the tax as of January 1, 1972.

[*English*]

Mr. Mahoney: Mr. Speaker, the products referred to here in addition to margarine and oleomargarine are spreads made from dairy products which do not qualify as butter because of low butter content. All of them all into the category of butter substitutes of various classes. I am afraid I cannot give the hon. member a trade name by which he and I might identify the subject, but it is spreads that do not have the necessary butterfat content to qualify as butter under the appropriate regulations but are nevertheless sold commercially.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Chairman, I have another question.

Does Canada import or did it import in the last two years several of the products the parliamentary secretary mentioned?

[*English*]

Mr. Mahoney: Mr. Chairman, this is of course the Excise Tax Act, not the customs tariff, and the products we are talking about, margarine and oleomargarine, as far as I am aware are entirely manufactured in Canada. They are not imported in any significant amount if at all.

The Chairman: Order, please. The Chair has the amendment moved by the hon. member for Moose Jaw, and it might be well to put the amendment now as the Chair is prepared to accept it unless there are arguments to the contrary.

Mr. Mahoney: Mr. Chairman, surely an amendment which will create an additional series of exemptions from payment of tax is out of order as upsetting the balance of ways and means decided upon by the government.

Mr. Knowles (Winnipeg North Centre): That argument is out of date.

The Chairman: Are there other hon. members who might like to assist the Chair?

Mr. Lambert (Edmonton West): Mr. Chairman, I do not want to argue the question of acceptability, or whether the motion is in order or out of order, in relation to this particular bill. However, I have some arguments with regard to what has been said about the purpose of the amendment, and its place in the Excise Tax Act.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I do not know whether my quip reached *Hansard* when I responded to the parliamentary secretary by saying that his argument was out of date. I hope it did because that is the pith of my submission. The argument that private members cannot move amendments because they upset the balance or ways and means is a form of words that really does not apply any more in these matters.

The Chair has ruled, for example, that an amendment reducing taxes across the board is in order provided that it does not transfer the incidence of the tax to someone else. It has also been ruled that we have the right to oppose a tax, and all this amendment is doing is opposing the imposition of a tax on municipalities when they purchase certain equipment. If it were the imposition of a tax we would be in trouble if a private member tried to move it, but I submit that the rulings made by the Chair in recent weeks are correct and that this amendment is in order and should be put.

Mr. Mahoney: Mr. Chairman, in recent weeks on Bill C-259 we were dealing with rather exceptional circumstances in that the ways and means motion had been supplemented by a particular motion of the House regularizing a variety of proceedings that had occurred before. On Bill C-260, I think we are back to a rather more traditional budgetary measure being handled in the customary manner, and therefore the ways and means motion does indeed govern what is and is not acceptable in this bill from a procedural standpoint. I do not think the various arguments that could be adduced under Bill C-259, whereby basically if the amendment was within the subject matter of the bill it was in order because of the special resolution passed by the House, has any application to this point. We are back to a situation now where the ways and means motion under the Standing Orders of the House must be strictly applied.

The Chairman: I want to thank the hon. parliamentary secretary and the hon. member for Winnipeg North Centre who assisted the Chair on the procedural acceptability of the amendment. The Chair's first inclination was to accept the amendment, and I may be in error but I am prepared to accept it. I agree with the hon. parliamentary secretary that, of course, the Standing Orders and precedents must be observed. When we were dealing with Bill C-259 I think we did observe them, although there might have been some relaxation in the last hour or two.

The hon. parliamentary secretary has indicated that this amendment would upset the balance of ways and means, but I am inclined to agree with the hon. member for Winnipeg North Centre that the precedent may not be as important now as it was in other years. This is alleviation of taxation; it is not imposition of a new tax and the Chair is prepared to accept it. I shall put the motion of the hon. member for Moose Jaw, which reads:

> That clause 4 of Bill C-260 be amended by inserting in line 29 on page 2, after the word "producers", also in line 36 on page 2, after the word "producers", and also in line 6 on page 3, after the word "producers, the following words, "or municipalities".

Mr. Harding: I wonder if I could ask the parliamentary secretary a question. Is the pipe for storm sewers and sanitary sewers required by municipalities currently exempt from sales tax?

Mr. Mahoney: Mr. Chairman, at some time in the past the amendment in this bill was considered to be an appropriate one. Sometimes I find myself on the side of the hon.

member for Edmonton West, since the party forming the government has to take a middle course between the two opposition parties. I really could not put the argument much better than he put it last night when he advanced the reasons for declining to exempt all municipal purchases of pollution abatement equipment or, for that matter, other equipment from the federal sales tax.

• (3:20 p.m.)

The exemption that we are seeking here recognizes that the cost of pollution abatement is a necessary cost of production. It is consistent with existing exemptions in the bill for production equipment. That is the reason for the exemption. In our thinking we have advanced to the appreciation that the cost of pollution abatement equipment is a proper cost of production, and that is why we want this particular amendment to go forward.

The hon. member for Kootenay West was quite correct. Materials purchased by municipalities for sewage systems, drainage systems and sewage treatment plants are exempt. Of course, that includes a large part of the equipment purchased by municipalities in this area.

The argument presented by the hon. member for Moose Jaw that municipalities will remain the only bodies subject to the payment of sales tax when buying pollution abatement equipment is most fallacious. This provision applies as well to service agencies, transport companies, and so on, and is by no means restricted to municipalities. The exemption here and the exemption that will be brought forward is to apply to production equipment. That is the extent to which the government is prepared to go at this particular point with the amendment to the Act.

I might say that the hon. member's amendment would not be particularly helpful to any municipality unless that municipality happens to be engaged in production. That will be the effect of the amendment if one reads the section as it now is. I really do not feel, therefore, that he would achieve at all what he thought he would by presenting the amendment which has been accepted by the Chair.

Mr. Lambert (Edmonton West): Mr. Chairman, first, may I commend to the hon. member who moved the amendment the reading at this time of Part XII of Schedule III which deals with municipalities. He is faced with a procedural problem in that this particular part of that schedule is not included in the amending bill and, therefore, he may not move an amendment to it. Part XII of Schedule III exempts the payment by municipalities of tax on culverts, firefighting equipment, and so on. Subparagraph (e) of section 1 reads:

(e) goods for use as part of sewerage and drainage systems and, for the purposes of this exemption, any agency operating a sewerage or drainage system for or on behalf of a municipality may be declared by the Minister to be a municipality.

Section 2 says that articles and materials for use exlcusively in the manufacture of the tax exempt goods mentioned in the section I have just referred to are included.

The amendment that the hon. member moved comes under Part XIII of Schedule III. Part XIII is headed, "Production Equipment, Processing Materials and Plans". It deals with that category of industry and not with municipalities. Although I sympathize with what the hon. member is trying to do, I would find it difficult to bring his amendment under this heading. It seems to me that what should have been done to answer the prayer of the Federation of Mayors and Municipalities is to amend Part XII of the act. I know Mayor Dent of the city of Edmonton and I know that the city is not in any way engaged in the production of goods. After all, this amendment would not help municipalities in any way. The section, if amended, would read:

(b) machinery and apparatus sold to or imported by manufacturers or producers or municipalities, for use by them directly in the detection—

The key words come at the end of the paragraph and are, "attributable to the manufacture or production of goods". Those words have not been included for dressing up the subsection. I do not know what municipalities are producing goods and that is where the limitation would come in. The amendment would not help municipalities to deal with other aspects of the pollution for which they are responsible. It seems to me, as I pointed out yesterday, that there is a far better way of giving municipalities direct assistance. We should not force them to buy tax exempt equipment which is irrelevant to their purposes. Actually, under a program of forgivable loans, we ought to give municipalities a real incentive to get into the sewage treatment business. Not only would municipalities gain advantages that way from forgivable loans, but they could improve their employment situation as well as their pollution standards. They would also, by reason of the provisions of Part XII of the act, not have to pay any sales tax whatever on any equipment used in these sewage systems, and the same would apply to equipment used to control air pollution.

I do not know whether the hon. member thinks that the production of electricity is the production of goods. I know that the city of Edmonton could clean up a great deal of its municipal electric production plants. The responsibility there comes under another aspect, and the question of sales tax is not involved. I, myself, cannot support this amendment at this particular time, since its effect will be limited to the production of goods manufactured by municipalities.

Mr. Harding: Mr. Chairman, in speaking on this amendment, I am particularly interested in noting that anti-pollution equipment bought or used by municipalities is exempt from the 12 per cent sales tax. That is the point we are trying to put across to the parliamentary secretary and the government. Whether the amendment is in the right place or whether we must add another section is immaterial to the basic argument we are following. The point is this: the municipalities now are hard pressed to find sufficient cash for carrying out pollution control programs, and this is one way we can give them material assistance. We can exempt from sales tax that type of anti-pollution equipment that a particular municipality might require. I am not certain, for example, whether sanitary sewer pipe is exempt from this tax.

Mr. Lambert (Edmonton West): It is.

Mr. Harding: The hon. member for Edmonton West suggests that it is exempt. The municipality will not need to pay sales tax on that, and that is good. I believe that this commodity is mentioned in the act. Yet I ask, what about

recycling equipment? That has not been mentioned. Any one who has studied environmental problems realizes that if we are ever to get to the very nub of pollution prevention in Canada, we will need to go into the recycling field in an immense way. We must look at the recycling of all kinds of products. We shall find that municipalities will need to take up recycling in their respective fields. Not only will municipalities be involved but provincial governments as well, and some of this recycling might be carried on on a private basis.

The recycling equipment of municipalities should be tax exempt. It must be exempt, and to encourage them to take up this type of anti-pollution work, these exemptions must be included in the bill. I do not see why the government cannot say, "All right, we will stand the bill for a short period and introduce a section that will deal with this problem." It is not only the members of my group who are interested in this matter, Mr. Chairman. All the municipalities from one end of Canada to the other have been pressing the department and the government for relief along the lines we have suggested.

• (3:30 p.m.)

I again urge the parliamentary secretary to hold this section over and have a look at it. If he does not like the amendments we have offered, why not bring in a section that will meet with the approval of his department? I suggest it will meet with the approval of the vast majority of members of this House. They, too, are interested in the war against pollution in Canada. This is one way of fighting it. I again suggest that some encouragement be given to the municipalities by proceeding along the lines we have suggested.

[*Translation*]

Mr. Latulippe: Mr. Chairman, about clause 4 concerning pollution, I should like to ask the parliamentary secretary to the minister whether or not the government really intends to help municipalities fight pollution.

I should also like to know whether or not, the government is considering any help to industries that have great problems with water pollution, because some of them have had to pay significant fines for violating antipollution rules.

But if municipalities are exempted from the tax on certain materials used in the construction of facilities designed to control pollution, we should also exempt from this tax manufacturers who, by using water, contribute to pollution.

A great number of Canadians are living on lake shores. Some reside there the year round. They are faced with the problem of water pollution because inspectors visit them and condemn all their facilities. They force these citizens to take measures against pollution and this costs thousands of dollars. I ask whether it would not be possible to include in some clause a provision to the effect that citizens residing along lake shores, in camps for instance, be exempt from the tax on building materials, so as to contribute to pollution control.

Provincial governments now send inspectors to visit facilities and they condemn several of these. So, citizens have to spend considerable amounts to fight pollution.

If the government really wants to fight pollution, citizens and corporations should at least be exempted from paying the tax on building materials, if there is no other way to assist them through grants, for instance, which might be too costly. Citizens should be exempted from payment of that tax, particularly major industries which have to spend millions of dollars to fight pollution. I make this request of the minister who said a little while ago that several things would not come under the tax.

I therefore ask whether citizens and corporations I have mentioned will be exempted from payment of the tax on building materials.

[*English*]

Mr. Mahoney: Mr. Chairman, there is nothing in the bill to eliminate the sales tax currently imposed on construction materials, or is it the intention of the government to introduce such an exemption at the present time. The question of that exemption has been forcibly brought to the attention of the government on numerous occasions by many organizations and associations as well as by members of this House. However, if and when a decision is made on that, it will be announced by the minister in a budget statement.

This particular bill does not embrace that concept. The same situation applies, of course, to the total exemption of purchases by municipalities from sales tax. This is a position that is argued by the Federation of Mayors and Municipalities. It has been argued by members of this House. However, a decision in this regard is a matter of a budgetary nature and can only be dealt with in the usual way. This particular bill does not encompass that.

With regard to the concern of the hon. member for Compton in connection with processing and manufacturing industries, yes, clause 4(2) of the bill proposes to exempt and I quote:

> machinery and apparatus sold to or imported by manufacturers or producers for use by them directly in the detection, measurement, prevention, treatment, reduction or removal of pollutants to water, soil or air—

On that point, Mr. Chairman, I am able to assure the hon. member that this particular bill does comply with his requirements.

In speaking to the amendment that is before the House, I should specifically point out to hon. members that they will have a bit of nonsense if they accept the amendment. The amendment the hon. member really wants to make will, I presume, put an additional classification in Part XII of schedule III to the Excise Tax Act. The way clause 1 (b) of Part XIII will read if the amendments are adopted is that the following will be exempt:

> equipment sold to or imported by manufacturers or producers or municipalities for use by them for exhausting dust and noxious fumes produced by their manufacturing or producing operations;

I really do not think that municipalities in Canada are all that widely engaged in manufacturing or producing operations or that the object the hon. member has in mind will be at all served by this bill.

The amendments he has proposed to the ensuing subclauses of clause 1 of Part XIII would, of course, be equally non-sensical. As I have said, the question is something which is constantly brought to the attention of the government. Up to this point, the government has not

accepted representations that have been made by or on behalf of municipalities. If and when the government does accept those representations, the Minister of Finance will announce that decision in a budgetary statement.

Mr. Aiken: Mr. Chairman, I would like to make my own position clear on this matter, because the effort to exempt as much pollution control equipment as possible from tax and to encourage municipalities, private industry and so forth to continue with pollution control efforts has always been something in which I have been most interested. It is indeed unfortunate, but it is nevertheless a fact we have to face, that the bill before us provides no opportunity to move an amendment along the lines of the one that has been moved.

I have every sympathy in the world with the intent of the amendment to make certain municipal equipment tax free. However, in this case it is not the municipalities which are the manufacturers or producers. It is someone else. Accepting the amendment would not enable us to accomplish the intent which the hon. member desires. My hon. friend from Edmonton West has drawn attention to the difficulty in which we find ourselves. Although the amendment has been accepted by the Chair it would still, if approved, fail to produce any results along the lines we would like to see.

• (3:40 p.m.)

Taxation on equipment of this kind leads to some strange rulings. I would certainly like to see the position cleared up. Not many years ago, I was personally involved in a case concerning fairly large concrete tiles. The department ruled that if the tiles were to be installed horizontally and used for drainage they would be tax exempt, but if they were installed vertically and used for well tiles they would be subject to tax. While I wish we could accomplish what the hon. member has in mind, it does not seem possible to do so by way of this amendment, or even under this bill.

Mr. Howard (Okanagan Boundary): Mr. Chairman, while we are dealing with this clause of the bill, and dealing with provisions to improve the position of those who purchase materials to be used to control or eliminate pollution, I should like to refer to a parallel area of concern.

In addition to the direct attack upon pollution in which some municipalities and companies are engaged, an indirect approach is taking place. Many municipalities which have never done so before are now installing chlorinating facilities, using chlorine to make domestic water safe for use. In the past this has often not been considered necessary, but the growth of population and increasing concern about water purity has led to action on the part of a large number of smaller municipalities. While I realize it is probably not possible to take action at this point along the lines I have in mind, I suggest that when the next major review of the Excise Tax Act takes place the government should consider removing the tax from chlorine, an ingredient which is important to the maintenance of the health of the people. The municipalities most affected would be the smaller municipalities, those which are least able to raise the taxes necessary to provide for programs of the kind I have mentioned. I believe the government should encourage municipalities to take all possible measures for the good health of Canadians, and this is why I recommend strongly that the parliamentary secretary take note of the point I have made and use his best efforts to secure the removal of chlorine as a taxable item when the next revision of the act takes place, provided it is used for the chlorination of water within Canada.

Mr. Rowland: There is no question that in this amendment my hon. friend from Moose Jaw is attempting to exempt municipalities from the incidence of excise tax in respect of anti-pollution equipment. It is also true he will not be able to accomplish everything he has set out to do in the amendment he has laid before the House. He is not able to do so because the government has not placed before us clauses whose amendment could effect that purpose. However, I think the hon. member for Edmonton West and the hon. member for Parry Sound-Muskoka gave in too soon.

In addition, it seems to me the parliamentary secretary was a bit out of line when he said the amendment would have the effect of making the clause nonsensical. Municipalities in Europe are going into the recycling of waste material in a big way and municipalities in North America will have to do the same if pollution is to be controlled. I should like to mention developments which are taking place on an experimental basis and which might well place municipalities in the position of becoming manufacturers. It is now possible to take celluloid products and turn them into protein. Municipalities could become involved in this process. It is now possible, on an experimental basis, to change human and animal waste into motive fuels. It may be necessary for municipalities to enter this processing field in an effort to beat their pollution problems.

The amendment before us would at least accomplish one thing. As the municipalities move into the recycling of waste, and turn out products which are useful in the marketplace, the costly facilities they will need for these purposes will be exempt from taxation. This will encourage municipalities to move into such areas of endeavour. As I say, municipalities in Europe have already done so. The amendment would make installations established by municipalities for these purposes exempt from taxation, and thus encourage municipalities to undertake endeavours of this kind.

Mr. Benjamin: Mr. Chairman, I know my hon. friend from Moose Jaw realized when drafting his amendment that there would be a real problem in arriving at a suitable wording. Since his amendment had to be kept in order he could not, of course, go beyond the wording of the bill.

The representations which have been made to the government and to all Members of Parliament by the Federation of Mayors and Reeves have been extensive and well thought out. We have all received press releases and briefs from the federation. So far, it seems, the government has chosen not to pay any attention to these representations. It is passing strange that ways can be found to exempt manufacturers and producers from excice tax with respect to equipment used for pollution control, but that similar action cannot be taken when municipalities are concerned. The minister, in his letter, said that providing

exemptions for municipalities would be a complicated matter, yet it is not complicated for the manufacturers and producers. That is a little hard not only for the mayors and reeves to swallow but for some of the members of the House to swallow as well.

• (3:50 p.m.)

Further, in his letter dated August 4, the Minister of Finance said that incinerators, though they may reduce waste, also cause air pollution and therefore he did not see how they could be exempted from the excise tax. Now, either the minister did not know or he conveniently forgot, but the president of the association, replying to the minister on August 16, pointed out that we now have the technology to manufacture incinerators that meet pollution control standards. He submitted they should, therefore, be exempt from excise tax. The minister makes a great deal about crushers not being exempt because they have no use other than facilitating the transportation of waste materials. If that argument is logical, then since pumping equipment, like crushers, are an integral part of a solid waste disposal system, why is pumping equipment exempt but not crushers?

These are some of the inconsistencies we see in this bill, some of which the hon. member attempts to solve in his amendment. If the wording of the amendment is not exactly as the parliamentary secretary would like it, he could get his officlals or some of the roosters in the gallery to draft a proper amendment in the next minute or so. We are not particularly wedded to our wording. The mayors and reeves have pointed out that as a result of the bill the government's revenue from manufacturers and producers will be reduced by about $8 million a year. Why cannot the municipalities have an equivalent reduction in their costs?

If the amendment passes, no doubt it would cause some head scratching in the back rooms in terms of interpreting the regulations, but I am sure that problem can be solved. The municipalities have waited a long time for some relief in this area yet the Minister of Finance still finds excuses which I submit are unjustified. Although the parliamentary secretary might be hesitant to make any move that might displease the Minister of Finance, we do not feel the same way. This is another reason why the amendment has been moved. All of the reasons given by the Minister of Finance in his letter to the federation in August have been amply shot down in flames by the federation's reply of August 16.

Today the federation issued a press release criticizing the inadequacies of the government's proposals, both in their budget and in this bill, in regard to exemption from excise tax of pollution control equipment. Every city in Canada has been and is under great pressure to build new sewage disposal systems, all the way from new incinerators to tertiary treatment plants. This pressure will continue, not only from the public sector but also from senior governments, and I say it is incumbent upon the government to accept an amendment that would exempt such equipment from excise tax.

My hon. friend from Selkirk just touched the surface of the problem. It is true that cities and municipalities will be able to manufacture goods and materials from recycling and other methods of handling sewage and waste materials. Although this amendment might make it a little difficult to administer, the parliamentary secretary and his officials appreciate the intent of the amendment and I see no reason for their being unable to express this intent in the form of action. I suggest the Department of Finance and the Minister of National Revenue will experience no difficulty whatsoever on passage of this amendment.

[Mr. Benjamin.]

Mr. Peters: Mr. Chairman, I listened with great interest to members on both sides of the committee supporting this amendment but at the same time admitting they have serious difficulty with the wording. I agree this is the case, particularly in view of the fact that under normal circumstances the manufacturing industry has not been primarily concerned with the disposal of waste. I am sure the parliamentary secretary would agree that unless manufacturing plants are provided with pollution control facilities we shall never be able to accomplish effective pollution control in this nation, particularly if we neglect one of the major sources of pollution in a given area, namely pollution resulting from municipal operations themselves. It used to be good enough for a municipality simply to burn its garbage and to dump its sewage into the nearest waterway. Although we are all aware that most industries used to dispose of their waste in this way, they now find it economically advantageous as well as environmentally advantageous to implement some form of pollution control.

It is true, as several of my colleagues have said, that municipalities will be subjected to pollution controls that are greatly different from any previous controls. All kinds of developments are taking place to produce useful byproducts from reclaimed waste, and many of these byproducts will come from fields with which we are not too familiar at the present time. Indeed, it may well be the case that a large segment of municipal workers will be engaged in producing byproducts from sewage and other forms of waste material. I bow to the superior wisdom of all members who were able to foresee many of the technical changes that are going to take place, such as the establishment in municipalities of pollution control methods that had not even been considered a few years ago. As most hon. members know, garbage has been reclaimed in some parts of California. From this reclamation hydrocarbon substances are derived which, when the process has been perfected, will be a valuable asset to the area and which they hope will heat much of the urban area that hitherto had been plagued by this very substance when it was in pollutant form.

• (4:00 p.m.)

It is quite possible, despite the remoteness of the subject today, that municipalities will be manufacturing, that there will be by-products and that the new technical changes involved will bring municipalities a great incentive to eliminate what has been possibly our major pollutant in the nation, municipal waste in all its various forms. I am sure at this late stage in the session, and even at this late hour in the day, the parliamentary secretary will not recommend that this amendment go back to the officials for improvement. I say that not unkindly but because that is not the way the government operates. It would take a long time to think about that. I fail to see the minister being at all concerned with this amendment if it does not

apply. However, if the municipality is not in a position to take advantage of this amendment, what difference would it make. It would simply have the effect of cluttering up the act. We have been here long enough to know that a great deal of legislation is cluttered up with things much less valuable than any concession that might be made to pollution control in the municipal field.

I suggest there really is not much basis for objection to this amendment if we presuppose that municipalities will soon be in the manufacturing field. Municipalities will not be in this field in the same way industry is because the pollutants from industry must be recycled or handled some other way. I believe the government is now taking cognizance of this and is making concessions. The municipalities, however, will in fact be using pollutants as the primary source of their material for manufacture. I can see the day, and I suspect it will not be too remote, when the moneys which are being provided by this and other governments will be used to speed up our ability to develop programs and methods to dispose of municipal pollution in a much more efficient way. So I suggest to the parliamentary secretary that if he is right, and this amendment is not applicable to the municipalities today, there really should be no objection to passing it. If there are municipalities in the manufacturing field or which intend to manufacture, I presume from the wastes of the municipality, and in that way provide pollution control in a very important way which would improve the environment of the community, then what is wrong with that.

Although I cannot think of any municipality, and other members have not mentioned any specific municipality, that is in the production field, I suggest there are those of us, including you, Mr. Chairman, who believe this is inevitable because this government has basic environmental control legislation and is also working on the scientific developments that will make possible the improvement of the environment by the elimination of municipal pollution. By following this course we will probably be providing the technical know-how which in the end will result in developments that would make this amendment applicable. I believe the parliamentary secretary would be less than fair if he were to say the government will apply this to manufacturing and industrial corporations but not to the municipalities. All we are asking is that the parliamentary secretary have a little foresight in respect of the elimination of pollutants in the municipal field through technical change and give support to this amendment which he believes will not be effective or necessary at the present time.

[*Translation*]

Mr. La Salle: Mr. Chairman, I should like to make a few comments on this amendment which I find is very justified because, to my mind, it would be perfectly normal for this bill to take the municipalities into account. Indeed, the Canadian Federation of Mayors and Municipalities expressed its point of view and as the government attaches great importance to the pollution problem, I feel we would only be proving our good faith toward municipalities by giving them the benefit of an exemption.

Moreover, the wording of the amendment seems to create difficulties. It would be easy for the parliamentary secretary to understand, first of all, the principle of the amendment. I believe all members would agree that municipalities should benefit from some assistance, to the extent provided by this bill, because municipalities are really anxious to fight against pollution.

If we really want to pass a constructive legislation to that effect, I suggest that the government should pay the entire construction costs of sewage treatment facilities for municipalities which are devoid of them as a result of the prohibitive costs of such projects. Since the bill under consideration does not specially deal with those municipal projects, I think that it would be advisable to enable them to enjoy the same advantages as industries. I shall limit myself to these few comments, Mr. Chairman, as such intervention permits me to support without any reservations the principle of the amendment moved by the hon. member. I hope that the parliamentary secretary, with the help of his advisers, will be able to find a formula which will allow municipalities to avail themselves of the maximum assistance. In so doing, the government would prove its good faith regarding the fight against pollution.

I hope that the parliamentary secretary will agree to include the word "municipalities" in the bill, thus permitting municipalities to profit by this legislation. I hope he will say yes to the Canadian Federation of Mayors and Municipalities which, in the opinion of all hon. members, is an organization sufficiently serious to be listened to.

I shall therefore limit myself to these few comments. If the government really wants to help municipalities fight against pollution, I think it would be in its greatest interest to enact legislation to grant enough money for the establishment of sewage treatment plants in each Canadian municipality.

[*English*]

Mr. Nystrom: Mr. Chairman, I just want to say a word or two in support of the amendment moved by the hon. member for Moose Jaw. I am not sure whether or not the parliamentary secretary is aware of the press statement issued by the president of the Canadian Federation of Mayors and Municipalities. The press release, issued an hour or so ago, appeals to the government once again to extend to municipalities the same privileges that are being extended under this bill to manufacturers. I suggest very strongly to the parliamentary secretary that he consider their representation. I think he knows what it is, but in any case I will quote the last part of the press statement which reads:

• (4:10 p.m.)

> Because of the critical importance of pollution problems of all kinds, the Canadian Federation of Mayors and Municipalities has the obligation to insist that the federal government revise its policy regarding the exemption of municipalities from sales tax on anti-pollution equipment. We are convinced that, in the interest of the objectives subscribed to, Bill C-260 has to be amended to extend to municipalities the same privileges that are given manufacturers and producers.

I want to remind the parliamentary secretary that the municipalities in this country are concerned. I am sure the amount of money that is involved is not great, and I am sure all members of the House can agree in a short period of time to the amendment. I suggest also that it is important that we do all we can to combat the problem of pollution in this country. We know that some pollution in

our rivers and lakes comes from the municipalities in the form of raw sewage, and it is about time we did all we can to clean up these types of waste. This provision could be an incentive to the municipalities to purchase anti-pollution equipment. Municipalities are hard pressed for funds at this time, and since we are granting this privilege to the manufacturers and producers, why can we not do the same thing for the municipalities? Why do we have this double standard?

In answering that question, the parliamentary secretary said that this provision is not really to promote the fight against pollution but to increase productivity in this country. I suggest that even though increased production is important it should go together with the reduction of pollution. I urge on behalf of municipalities in my area that the parliamentary secretary accept this amendment, and if it is not acceptable, let us draft one that is so that municipalities can be included among those who are exempted from the excise tax.

Another point made by the hon. member for Selkirk was that if this amendment is accepted it will result in the creation of some jobs in the recycling of waste. I hope that members on the other side of the House will add their support for the amendment that is before us so that municipalities are granted the same privileges as manufacturers in this country.

Mr. Horner: I should like to say a word or two in support of the amendment that is before us now. Some concern has been voiced as to whether or not this is the proper place for an amendment which would exempt the municipalities from the excise tax on machinery used to create a pollution free environment. If I wanted to chastise the government, I would point out that this is one more example of a poorly drafted bill. At first it gives the impression of being drafted satisfactorily, but when we examine it closely we realize that not all aspects of the situation are covered.

Many municipalities across the country are still the biggest polluters of our lakes and rivers. The most important factor is not the amount of money that the government will have to expend, not the fact that every municipality will have to develop recycling machinery and manufacture something from the waste, but some technicality that the government has failed to take into consideration in drafting the bill. The vote on this amendment, which will take place shortly, will be an expression of opinion as to whether or not municipalities should be exempted from excise tax on recycling machinery. If the amendment carries this afternoon, I do not expect any earth shaking events to take place in the municipalities but I do believe that many of them will become more interested in creating a pollution free environment. That is what we as legislators should be concerned with. Every piece of legislation contains regulations which carry out the intent of the legislation. If the amendment is accepted, no doubt the regulations governing the application of the excise tax on recycling machinery could be drafted in such a way as to take into account the fact that the amendment is not in the right place.

Last evening I listened very carefully to the remarks made in the House and I reread the comments of the hon. member for Edmonton West with regard to this matter.

[Mr. Nystrom.]

Without a doubt he is one of the most knowledgeable members in the House with respect to the legal aspects of the legislation and the proper drafting of bills. His experience in the Chair has contributed a great deal to his knowledge and his insistence that the rules be followed is shown by his statement that this is not the right place for this amendment. It is regrettable that this matter was not considered more thoroughly when the bill was being drafted. However, all we can do at present as legislators is to express our intention that municipalities be encouraged to develop recycling machinery for waste products as quickly as possible. The old system of waste trenches and earth fills is no longer suitable. Very soon major cities will run out of available land and the old system cannot be used for many more years. So, we must encourage municipalities to get into the business of recycling. We must express our intention here that if at some time in the future municipalities purchase machinery for recycling, the excise tax will not be applied to it.

Although it may not be the correct thing to do to vote in favour of an amendment which is not in the correct place, I find myself inclined to vote for the intent of the amendment and I hope that other hon. members will do so also. Once the municipalities find themselves in a position to take advantage of this regulation the government might find itself embarrassed by a poorly placed amendment, but in such a case the government might bring in a further change according to the wishes of the House.

• (4:20 p.m.)

Mr. Harding: I am not trying to hold up the debate on this measure, but I want to point out to the parliamentary secretary that the amendment which we are debating for the removal of the sales tax from municipal anti-pollution equipment does not apply only to municipalities. Just today I received a letter from the British Columbia School Trustees Association, as a result of which I believe the legislation should be amended to give relief to school boards which have jurisdiction over a large number of schools. If a school board constructs over $3,000 worth of equipment in its maintenance and repair shops over a year, it is forced to take out a manufacturer's licence, and pay excise tax on everything over the $3,000. This is utter nonsense. A sum of $3,000 spread over a large number of schools is very little. They are asking the government to change the regulation in order to give them an exemption. Why should any school board have to pay excise tax on cabinets, book shelves, or some such construction that has taken place in the school district? This is sheer nonsense. This is why we are asking the government to make this change.

Some time ago I wrote to the Minister of National Revenue about the matter, and in his reply he wrote:

I am bound to work within the existing framework of the Excise Tax Act as enacted by the Parliament of Canada.

We are now in the process of changing that act. We now have a chance to exempt school boards from excise tax. Will the parliamentary secretary take this into consideration? Will he hold up this clause for a few minutes and take another look at this aspect of it? The government is telling school boards that they are manufacturers and that they must take out a manufacturer's licence. Again I appeal to the minister to use a little common sense.

Let us look at the problem of school boards and the problem of municipalities with respect to anti-pollution equipment. I appeal to the parliamentary secretary to take this step and then let us get on with something else. Hon. members are anxious that something be done. I am quite sure that the majority of government members are also in favour of this.

Mr. Kaplan: Mr. Chairman, I would like to ask the hon. member why he regards the tax revenues of a school board as being more sacred, if I may put it that way, than the tax revenues of the federal government? It is not as though he was talking about a different set of taxpayers. After all the taxpayers are the taxpayers in each case. Whether the money is levied by the federal government or by the school board, it still has to be paid by the taxpayers.

I cannot understand why he regards himself as being here to lobby for one level of tax jurisdiction as against another. If he wants to make the point that it is easier for the federal government to raise the money than it is for the school board, I do not agree. It is just as easy for a school board, if it is financed on a proper tax base and the provincial government has a just system of taxation. In that case it is just as easy for the $3,000 of needed tax revenue to be raised at one level as at the other. I cannot understand why hon. members should lobby for a tax jurisdiction they do not represent against the interests of the tax jurisdiction that they do represent.

Mr. Harding: Mr. Chairman, the hon. member does not realize that school boards, which may cover a number of municipalities in an area, do not have the same tax base as the federal government.

Mr. Kaplan: Whose fault is that?

Mr. Harding: Through you, Mr. Chairman, I ask the hon. member does he think that when a school board has half a dozen men doing maintenance and repair work, such as building cabinets, shelves, cupboards, and things like that which remain in the schools, it should pay a 12 per cent sales tax?

Mr. Kaplan: Sure.

Mr. Harding: Well, I don't. These boards have these men on staff. If they have to move into a school and do a small amount of repair work, or put up shelves or trophy cases, why should they be charged sales tax? They are not selling these products outside the schools. They are not making any profit on them. These things are kept within the school district. The boards are asking for an exemption and, so far as I am concerned, should be given a 100 per cent exemption by the federal government.

Mr. Kaplan: Does the hon. member feel that a business, when it produces something that is used in the business, should not have to pay the same tax? Or does he feel that when a taxpayer produces something which he uses in his own business, and that has value, he should pay a tax on that increase in value? This tax theory is based on a very sound tax principle, and if it were otherwise you would create a disadvantage to conducting business in the most orderly and most economic way. Once that tax applies, it makes it harder for a company or business to put out a job as compared with doing the job itself. So, for the sake of neutrality the law provides that whether it does the job itself or gets a contractor to do it, the excise tax has to be paid. Why should a school board corporation be in any different position? I believe it should be in the same position.

Actually it would be better if taxes were lowered, but that is not the issue here. The issue is that the hon. member insists that it is unfair for taxes to be raised at the municipal or provincial level, and at the same time it is fair to raise taxes at the federal level. I would like him to try to convince me that there is some reason federal taxpayers, who are the same people as provincial and municipal taxpayers, should bear these burdens. I just cannot see it.

Mr. Harding: The hon. member asks whether I think we should treat an individual manufacturer the same as a school board. There is no comparison, Mr. Chairman. His suggestion is utter nonsense. A school board is forced to get revenues from the school district through what I consider to be a very regressive form of taxation, namely, taxation on property. They have a tough time to raise sufficient revenues to keep their operation going. I have here a resolution received from the British Columbia School Trustees Association which supports my point, and I quote:

• (4:30 p.m.)

> The BCSTA supports the principle that all expenditures for construction and operation of public schools are in the public interest, and should accordingly be exempted from all federal and provincial sales taxes.

If my friend does not take that stand we are back in the stone age and that is where he ought to be.

Some hon. Members: Hear, hear!

Mr. Kaplan: Mr. Chairman, the hon. member has made one good point, that the school boards in some parts of this country are forced to depend on a very regressive tax system. But that is not the fault of this government. I cannot see why they should come to Ottawa and say that because the provinces apply a regressive tax system to school corporations, the federal government has some responsibility to make the laws here more complicated, more exemption-ridden, more full of loopholes for the sake of trying to redress a failing which is entirely within the jurisdiction of the provinces.

After all, there is only one tax that the federal government can apply but the provincial governments cannot, and that is the customs tariff which is not an important source of revenue for the federal government. Apart from that, the provinces have the power to give the school boards the right to impose income tax, sales tax or any kind of tax that the federal government itself uses to raise money. I should like to see the hon. member opposite stiffen his backbone a bit with other levels of government who come asking for exemptions. He should tell them that they have a responsibility to raise money within their own jurisdiction for their own purposes.

Mr. Harding: Mr. Chairman, this is the last reply I am going to make. I would like to ask my Liberal friend from Don Valley if he puts hospitals in the same category as

school boards. Hospital boards are exempt under the act and hospitals are financed by the same method as school boards but their expenditures are exempt from the excise tax. Hospitals are for use of the general public, and we say that school boards should be in the same category and be exempt too. Where does the hon. member stand on the hospital question? Is he opposed to that as well?

Mr. Kaplan: Mr. Chairman, like my hon. friend I shall refrain from further participation in this debate, and only answer that question by saying that there is a very big difference between the way the hospitals are funded and the way schools are funded. After all, hospitals have no taxing jurisdiction although perhaps they should. School boards have, and it is the responsibility of those levels of government that give school boards taxing jurisdiction and make them responsible for accountability to make sure that they have an adequate source of revenue and are financed in the proper way. I think they would be better off to do that than to find lobbyists in this House who try to argue that shifting money from one type of tax to another is somehow doing something for their constituents.

Mr. Benjamin: Mr. Chairman, in order to make the parliamentary secretary feel a little better I should like to ask if he would consider an additional area in which excise tax could be collected. Would he consider levying an excise tax on all election expenses of candidates of political parties?

Mr. Mahoney: Mr. Chairman, I am not going to regard that suggestion as being a serious one, but there are a couple of others upon which I would comment. The hon. member for Crowfoot said that the committee should accept this amendment by way of expressing its opinion. I would suggest to the committee that an amendment to a tax bill is a rather unusual way of expressing an opinion. There is machinery in our Standing Orders to allow motions to be presented in the Private Members' hour or to allow supply day resolutions and things of that nature whereby the House can express its opinion without amending a tax bill.

The hon. member for Kootenay West has asked that I hold up the bill for a few seconds, I am afraid that even if I hold it up for many seconds I could not alter the budget speech of June 18, or the ways and means motion on which this bill is based, and my acquiescence with that particular suggestion would serve no useful purpose.

Mr. Saltsman: Mr. Chairman, I could understand if in rising to oppose the amendment the parliamentary secretary had made some statement that the government was not in a position to accept it at this time or that the government did not have the imagination to consider it and so he had to oppose it but would give it some thought for the future. This would have been some kind of decision.

I regret that we have had the kind of debate which took place in the past few seconds with the interjection of the hon. member for Don Valley. I have not heard such an archaic argument for a long time. I am surprised at his plea for neutrality. That would have been more impressive if during the course of the tax debate I had heard him argue neutrality when it came to taxation of mining and resource industries. It seems to me he is a great defender of the special privileges enjoyed by the mining and resource industries and is prepared to give them the privilege of paying no tax at all to the federal government. What seems to bother him is that public expenditures might get some kind of break. He does not seem to object to the same thing for private expenditures. I am quite surprised at his attitude.

Let us go back to his argument regarding the taxing powers of provincial governments. I know he has quite a profound knowledge of the tax system, since he was one of the distinguished members of the House of Commons committee which studied it. He knows that there is a distribution of income that the federal government can make but the provincial governments cannot. Funds that are allocated by the federal government have an equalization action to them. It may be that Ontario does not require assistance from other provinces and, therefore, it could make some sense in Ontario to say let the provinces raise the revenue and redistribute it to the cities. But it still does not make any sense for the country as a whole, because many provinces need the redistribution effect that can only come from transfer payments at the federal level. When we argue for certain things at the federal level we are arguing for equality across the country, especially for those provinces not in a strong position or who do not have a strong tax base. The hon. member for Don Valley referred briefly to the regressive nature of municipal taxation. In some cases this and provincial taxation has a profound regressive effect which can only be overcome by assistance from the federal government.

I am disappointed at the hon. member's intervention. I could have understood if he had said "I am a backbencher and would like to support you but I do not want to get into trouble." That would have been a perfectly human kind of statement. Or if he had said "I think the parliamentary secretary who is leading this debate is in trouble and needs my assistance," I could have understood that, but when he tries to argue against the merit of the proposal before this House I think he is on shaky ground. Knowing him as a solid type of fellow, I am surprised that he saw fit to make this kind of intervention.

The Deputy Chairman: Is the House ready for the question?

Some hon. Members: Question.

• (4:40 p.m.)

The Deputy Chairman: Shall the amendment to clause 4 carry?

Amendment (Mr. Skoberg) negatived: yeas, 21; nays, 52.

The Deputy Chairman: I declare the amendment lost. Shall clause 4 carry?

On clause 4—

Mr. Benjamin: Mr. Chairman, there is one—

[*Translation*]

Mr. La Salle: Mr. Chairman, I am rising on a point of order.

The Deputy Chairman: The hon. member for Joliette rises on a point of order.

Mr. La Salle: Mr. Chairman, I really have the feeling that I have not been counted among those in favour of the amendment. The names of 21 members have been listed and, including myself, I counted 22 members. It seems to me that they did not look in my direction.

The Deputy Chairman: The point raised by the hon. member is valid. The clerk of the House has drawn my attention to the fact that he did not list the hon. member among those who supported the amendment. That will be corrected.

[*English*]

Mr. Benjamin: Mr. Chairman, I should like to present a further amendment to this clause covering an area of the bill which has been overlooked. The hon. member for Selkirk yesterday made some pertinent remarks concerning an effective way of monitoring those products which are exempt from sales tax, in order to make sure that lower prices resulting from abolition or reduction of sales tax are passed on to purchasers of those products. I think members on both sides of the House will recall with some bitterness what happened when the government removed the tax on drugs. Some drug manufacturers, some wholesalers and some retailers almost immediately after the tax on drugs was reduced or eliminated began raising the price of drugs, the result being that within a matter of weeks or months the consumers of those drugs derived little or no benefit from the fact that certain taxes on those drugs had been removed. Surely, Mr. Chairman, this loophole needs to be corrected.

I wish to move an amendment to clause 4 which, if accepted, would permit the Minister of National Revenue to watch this aspect in an efficient and practical manner. That is to say, while enforcing the Excise Tax Act provisions and while collecting excise taxes, the minister could make sure that lower prices made possible by removing excise tax are passed on to the consumer. In order to try to accomplish what my colleague for Selkirk referred to yesterday, I wish to move:

That Clause 4 of Bill C-260 be amended by inserting therein, immediately after line 38 on page 3, the following additional sub-clause:

(5) In the case of any excise taxes eliminated by the provisions of this section, the Department of National Revenue shall make arrangements for monitoring procedures to ensure that the savings so effected accrue to the purchasers of products so exempted.

The Deputy Chairman: Shall the amendment carry?

Mr. Saltsman: Mr. Chairman, I wish to say a few words to support the commendable amendment put forward by the hon. member for Regina-Lake Centre. I think there is a compelling need for the kind of scrutiny called for by the amendment. If hon. members will recall some of the events that took place after the levels of excise tax imposed on drugs were changed, they will see the importance of introducing some mechanism for examining any changes in prices of products that may result from excise taxes being dropped or lowered. I well recall that while the excise tax was imposed on drugs, the manufacturers and others connected with the drug industry said that drug prices in Canada were high because of the high level of the excise tax on drugs. They suggested that if the government were to remove the excise tax on drugs, the price of drugs would drop substantially. It was always the excise tax that was the cause of problems connected with the drug industry.

We have heard the same arguments advanced regarding the high cost of construction. It has always been the excise tax on building materials that was to blame and never the price of land, never the speculation and never the interest rates. It was always the excise tax. On the surface, those arguments sound reasonable, because the excise tax represents a cost that is built into the cost of these goods. Yet, what do we find on close examination? Whenever the excise tax is removed, a new argument emerges. The people concerned say, "You see, we cannot drop the price by 10 per cent", and we must assume here that the tax of 10 per cent has been removed. They say, "We cannot possibly drop the price by that amount because, you see, we were about to increase prices by that exact amount. By removing the excise tax, you have enabled us to maintain the same price we charged before."

An hon. Member: Right.

Mr. Saltsman: It appears that that tax which previously was so horrible, and which was responsible for high prices, is no longer responsible for the high prices which must be charged. The excise tax, once it has been dropped, no longer looms as an important factor in the previous high prices. Very often the chief advantage, after excise taxes are dropped, accrues to the people connected with a particular industry, to the manufacturers and others, and not to the consumer. I think, if we examine the facts, we shall see that this situation has come about over and over again. After all, this matter affects the people of Canada. It is because the taxpayers of Canada are being asked to pay higher taxes in certain fields, namely, higher personal income taxes and perhaps increased corporate taxes, that the government is able to remove the excise tax from certain areas.

This tax has contributed immensely to the national revenues. If taxpayers are being asked to pay increased personal income taxes in order to permit the lowering of certain prices to the consumer, I submit that we should make sure that the lower prices made possible by the elimination or reduction of excise taxes are passed on to the consumer. Until now there has been no evidence to indicate that this has been the case. It should not be necessary for a representative of the government to stand up and say, "Yes, we think this is a worthwhile suggestion and we shall consider it." After all, when tax reductions are not passed on, the government's own plans are frustrated. The government merely suggests that it is serving notice, through the reduction of excise taxes, that it wants price reductions passed on to the consumer. After that the whole thing sort of peters out, and nothing comes of it. I have yet to hear of any minister coming to the House and saying, "I have conducted a thorough investigation in this field and am satisfied that the amount of excise tax which has been taken off a product has been passed on to the consumer." These savings simply get lost in the shuffle.

• (4:50 p.m.)

I would think that a government that was interested in the consumer, and was interested in seeing that the taxes that were foregone resulted in lower prices, would be very pleased to have one of its representatives rise in the House

today, if not to support the amendment, at least to say the government was going to ask its members to agree in principle that such a monitoring agency is important. This House should be given the assurance that it will be done. If they are not prepared to give that assurance, we can only assume they really do not care what happens to government revenues, and they are indifferent to the effects that these changes in tariffs have on the economy of the country.

Mr. Francis: Mr. Chairman, I listened with interest to the hon. member's amendment. There is not a member of this House who does not sympathize with the case put forward, the concern that tax reductions are not passed on to the public. This particular industry seems to be especially guilty in this respect. There are one or two aspects of the amendment that give me concern. First, it gives a direction to the Department of National Health and Welfare to undertake a price monitoring activity.

Mr. Knowles (Winnipeg North Centre): The Department of National Revenue.

Mr. Francis: I am sorry, I misunderstood. I do not have the wording in front of me. In that case, I will amend what I was going to say. It does, however, introduce a price regulation, an examination function of government activity. I do not know how the government ensures that certain price reductions as a result of tax changes are passed on to the consumer in a period of inflation. Certainly the labour cost element, and the hon. member who proposed the motion, supported by sections of organized labour who have refused to co-operate in any attempts at price stabilization in this country in any official sense—

Some hon. Members: Oh, oh!

Mr. Francis: This is true. The hon. member who proposed the amendment must realize that in a period of inflation there is a major difficulty in trying to bring about price stability in that area. It is not a case of black and white. It is not a case of wicked manufacturers or wicked druggists dispensing at the retail level being solely responsible for gouging the poor, innocent consumer. The Lord knows our drug prices are too high. Canada's record in this regard is not good enough. However, creating a price monitoring agency for various price changes should not be faced piecemeal. It should be faced with an overall responsibility. It will require the co-operation of organized labour as well as other spokesmen in the community to be effective.

I like to think that the hon. member who so ably proposed this amendment this afternoon will go to the spokesmen for organized labour and say that the entire community has to carry the responsibility for price stability and price reductions, not just certain sections of it.

Mr. Lambert (Edmonton West): Mr. Chairman, outside of that portion of section 4 which removes the sales tax on margarine products, can the parliamentary secretary advise the procedures that will be followed by manufacturers in availing themselves of the exemption that is now being created for them with respect to equipment they will use in controlling pollution arising out of the production of their goods? Will this be on a drawback system or will they be issued a licence by the Minister of National Revenue which, on presentation, will entitle them to purchase the good tax free? I am concerned that this amendment, which is strictly limited to those items in clause 4 of this bill, will in any event be covered by the procedures of the Department of National Revenue.

If the manufacturer must apply for a drawback, he is going to get the whole benefit of the removal or exemption of the sales tax on the equipment in question. It is not as though they become shelf goods at a price sold by the vendor. I can understand that there are difficulties with regard to drugs or margarine, but I do not know what the supermarkets will do with regard to the difference in pricing that will arise out of the removal of sales tax on margarine. Some part of it they may have kept, and some part they may have passed on to the consumers. However, in the case of manufacturers buying this specific equipment, is their particular exemption in the form of a drawback? Is it obtained through the furnishing of a licence? Do they get the benefit of the removal of all the sales tax which would otherwise be payable on goods?

Mr. Mahoney: If I understand the hon. member correctly, Mr. Chairman, the situation he describes is one that will be covered by a licence. The party selling the goods will sell it to someone who has a licence and certifies it is being used for the appropriate use. Therefore, no tax would be collected and no drawback would be involved.

Mr. Lambert (Edmonton West): To that extent, under that procedure, is it felt that the whole of the reduction in the tax paid price is given to the purchaser of the goods? The amendment states "the savings so effected accrue to the purchasers of products so exempted." In the particular case of these manufacturers who buy this antipollution equipment, are they or are they not getting the whole of the benefit of the reduction as a result of taking off the tax?

Mr. Mahoney: Mr. Chairman, in the case of antipollution equipment, the person buying it from the manufacturer would ordinarily be either a contractor for or the person who would be using it himself in the future. In either case, the excise tax should not be reflected in the purchase price originally because he has a licence and certifies that he is using it for an exempt purpose.

The Deputy Chairman: Is the committee ready for the question? The question is on the amendment moved by the hon. member for Regina-Lake Centre.

Amendment (Mr. Benjamin) negatived: yeas, 16; nays, 55.

Clause agreed to

Clauses 5 and 6 agreed to.

Title agreed to.

Bill reported.

• (5:00 p.m.)

The Acting Speaker (Mr. Boulanger): When shall the bill be read the third time?

Some hon. Members: By leave, now.

Hon. Alistair Gillespie (for the Minister of Finance) moved that the bill be read the third time and do pass.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we have listened to a good deal of discussion on aspects of municipal participation in the field of pollution control. The concessions which have been made to industry have been considered by the committee and by the House, and have been praised as being worthwhile. Hon. members have argued that similar consideration should be extended to that other major partner in the pollution field, the municipalities.

The municipalities have asked for concessions in connection with sales tax not only with respect to antipollution equipment but with respect to the materials used for municipal development generally. It is evident that the interests of the municipalities in controlling pollution and protecting the environment coincide with those of the provincial and federal governments, not to speak of the interests of the public as a whole. It has been our opinion that municipalities should be given full relief in respect to all pollution control activities in which they participate. It is true that sales tax is already being waived with respect to the purchase of certain types of equipment. Nevertheless, the municipalities are now entering into other fields, and if they are to succeed, their activities need the same favourable climate as the government is now offering to manufacturers.

In the course of the debate today several hon. members sought to show that industry was in a more favourable taxation position than were the municipalities, that the municipalities were really operating under a system of double taxation; an individual was obliged to pay tax to a municipality which, in turn, had to pay sales tax to the federal government in connection with goods used by the municipality and by the school board.

It may well be that in opening up the subject of sales tax generally, we in this party were handicapped by decisions reached by civil servants to the effect that only certain concessions could be made available at this time. Nevertheless, I submit that the arguments put forward today by a number of hon. members, prompted by representations made by those in the municipal field, are worthy of serious consideration.

On the government side, there appears to be an unwillingness to face the consequences of certain changes which are taking place. Consider, for example, the position of school boards which have amalgamated in order, among other things, to save expense on purchasing and maintenance. The limit of $3,000 on the exemption available to a very small school would certainly not be adequate to reflect the scale of operations of a much larger amalgamated school board. I point out that these particular operations do not interfere with any local industry or prejudice the jobs of local workmen. They are engaged in only to simplify the operation of supply and maintenance. All these arguments have been legitimately put forward, and they are deserving of consideration. If it were not for the Christmas spirit I would certainly consider moving that this question be referred back to the committee for further study. It is unlikely, though, that the parliamentary secretary would give any consideration to changing the legislation at this late date. After all, the bill before us goes back to July, 1971 and its provisions will apply fully in January, 1972. The hon. member would probably argue, with some reason, that there is now no time left in which to make major changes in the Excise Tax Act which would provide for concessions to be made to municipalities, school boards and other agencies.

I make a plea to the minister to consider in the near future making concessions to the municipalities which would enable them to engage fully in the work of pollution control. If there is anything in which young people today are interested collectively it is probably in some method of ending our destruction of the environment. Without a doubt we have gone through more resources in the last 20 years than the whole world had done in all the time which existed prior to that point. Young people today are identifying pollution as one of the major problems they have to face. Ten years ago our children were worried about the atomic bomb. They were saying there was no future for them because eventually the bomb would be dropped and we would all go up in smoke. Our young people do not feel this way today. They feel they have inherited a world that is badly polluted, an environment that has been destroyed. Our urban centres are not what our young people wish to have.

• (5:10 p.m.)

Much of the abuse of the environment stems from our inability to control pollution. Looking at the Ottawa River which flows past the Parliament Buildings we find water that is repulsive to drink. Indeed, it might be medically unsafe. Certainly, it has been medically unsafe at times to swim in it. It is true that some pollution comes from Renfrew and Pembroke which have industrial centres, and some comes from Timiskaming's pulp mill. Almost all of the pollution from the head of Lake Timiskaming, where I live, to the Ottawa River comes from human waste.

It seems to me we should make every concession possible to enable municipalities to purchase and instal pollution control equipment. We have an obligation to put the best brains in the National Research Council to work finding much better ways of handling sewage. In some other countries sewage has been turned into a very valuable commodity. With the technology available in the world today we could provide modern utilities to reclaim a great deal of value from sewage. We could return the water to the river almost pure enough to drink, and that would certainly eliminate pollution in the Ottawa River.

The reason the municipalities do not do this is money. What facilities there are are insufficient. We have put up money to construct lagoons, but in most areas these lagoons do not function properly. As most hon. members know, a lagoon is really a septic tank or pond into which you pump sewage. The water evaporates but eventually the pond fills up with solids and you have to construct another pond. In my particular area we have 37 inches of rain a year. If it were not for the thermal heat units in the area we would be hard pressed to evaporate 37 inches of water. About as much water is added to the lagoon in the form of precipitation as is extracted by evaporation. For six months out of the year the water freezes over, and obviously no evaporation takes place. If there is any runoff in the spring the pond overflows into the river, and the waste comes once again into the Ottawa River system.

The taxpayers have been paying a small fortune for these ponds and for the sewage systems that pipe the

effluent into the ponds. Yet I doubt that anyone has done any work on their feasibility for northern Ontario. The idea originated in the southern United States where I imagine about 200 inches of water evaporates every year. Although it is a good idea down there it is not so good when applied to northern Ontario. When people in northern Ontario ask their municipality for clean water, the water resources board of Ontario supplies a unit. I have attended the opening of several of these units, elaborate buildings, the grounds all nicely sodded, flags out front and so on. Water is taken out of some sewage laden lake, processed in the plant, and water sold to people on the street at a higher price than water from spring wells which have been used for 20 to 30 years.

My point is that we have not made sufficient effort to correct the situation. We still hear Members of Parliament saying that there should be a sales tax on that equipment.

Mr. Whelan: There is no sales tax on that sort of thing.

Mr. Peters: Yes, there is. We have just been debating an amendment that would remove this tax from various items.

Mr. Whelan: A sales tax on sewage treatment plants?

Mr. Peters: Yes, and on recycling plants and reclamation plants. Cement sewage pipes are exempt, as are some other pieces of sewage control equipment such as valves, and so on. But this type of equipment is very old. The sort of equipment I am talking about is modern and technically advanced. It not only processes sewage but reclaims what is of value, which is then used for other purposes. In other words, this sewage is recycled and reused, instead of being filtered, certain solids removed and the rest dumped into the river. As long as the hon. member for Essex (Mr. Whelan) believes that we have done all we can in this field, he is justified in the vote he cast earlier this afternoon which indicated his unwillingness to help municipalities.

Mr. Whelan: A point of order, Mr. Speaker.

Mr. Peters: I must admit I do not understand the position he took—

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Essex is rising on a point of order.

Mr. Whelan: Mr. Speaker, the hon. member is putting words into my mouth which I do not intend to accept. He said that I condoned this sort of thing. In my own municipality I attended the opening of a new sewage plant, as modern a plant as can be built today. Most of the equipment in the plant was tax exempt and always has been tax exempt. I have been instrumental in getting government money to build the plant in my constituency. If anything has been over-emphasized, it is what the hon. member and his party have stated today, namely that this sort of equipment is not tax exempt. Practically all pollution control equipment today is exempt from tax.

Mr. Peters: Mr. Speaker, I do not know whether that was a point of order, a question of privilege, or the hon. member's contribution to this debate today. If I would not be out of order, I would be prepared to tell him just what is exempt from the excise tax. There are about 12 items all of which are clearly stated. They are not related to the monitoring devices that are necessary in controlling pollution. They do not have relation to the recycling devices that are available. Nor are they what I consider to be the new advances in technology in the field of pollution control.

• (5:20 p.m.)

An advantage would be provided to the municipalities by the establishment of a plant which would in effect sort out the various nutrients in the sewage, recycle it and obtain some gain thereby. Because this was not understood I can sympathize with the vote of some hon. members. However, I believe this is a matter to which the government should give consideration. It is also a matter which I hope some of the officials of the department will consider. I am well aware of the fact that many of the municipalities that would bother to take advantage of the anti-pollution devices would find advantage in reclaiming those wastes.

I hope to see the day when the municipalities will be in a position to adapt the reclaiming process to automobiles. This has not been considered by the manufacturers. It has not been really considered in any shape or form by any segment of that industry. Old automobiles are becoming a large source of pollution in the municipalities. The municipalities have great difficulty in disposing of this pollutant. I am quite sure that if efforts were made we could find a way to use even this pollutant, which probably more than anything else destroys the aesthetic appearance of the area. Perhaps this objective could be achieved by the recycling process, and if so we might be able to obtain some money from these old wrecks we see lying around the country.

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

Mr. Peters: Yes.

Mr. Whelan: I should like to ask the hon. member if he is aware of the fact that the federal government has already invested $10 million in a plant for the purpose of doing what he has been talking about, the recycling of automobile bodies. An amount of $30 million of the taxpayers' money and the money of private individuals has been invested in such a plant. Even with all the brains of Ph.D's and so on it has been found that this will not work. This plant is sitting idle. I look at it through my window every day. But the idea had been to use these wrecks for the production of iron powder. That plant never went into production even though there has been an investment of $30 million. It is said that $5 million more is necessary to make it work. A great amount of money has been spent and they still do not know how to accomplish their purpose. I wondered if the hon. member was aware of this.

Mr. Peters: I am aware of it now. I certainly appreciate the fact that the government has spent this money on this pollutant. If the parliamentary secretary is prepared to move that a sum of money be allocated for this purpose, I would be prepared to support him at this time because I believe this is a very large source of pollution for which a use should be found. It is very interesting to drive down some of the major highways, such as 401 for example, and

see under an overpass a car parked with its tires off. Such cars are abandoned and someone has to take them away. They become a pollutant in our environment which is exceedingly difficult to remove.

When I began it was my intention to refer to the fact that the House, in its wisdom, decided in committee not to accept the amendment of the hon. member for Moose Jaw (Mr. Skoberg) who is very interested in this subject of pollution and the problems the municipalities encounter every time they pay a tax to the government on something that is being made by one of their agencies. I suggest that pollution control is a major element in the costs of the municipalities. Those costs increase as we demand more and more efficient control of our environment. I think the government can make a contribution by removing the taxes the municipalities must pay, and I applaud the government today for allowing industry and manufacturers to be exempt from taxes in respect of pollution control equipment. I hope that other members will see fit to continue our efforts on behalf of those who labour so hard in the municipal field, so the municipalities will have a concession from the federal government and Canada can be made a cleaner place in which to live.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Boulanger): Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Selkirk (Mr. Rowland)—Fisheries—Selkirk fish plant—inquiry as to possible closing; the hon. member for Yorkton-Melville (Mr. Nystrom)—Youth—Opportunities for Youth Program—writing of evaluation report by private consulting firm—selection of projects for analysis.

GOVERNMENT ORDERS

EXCISE TAX ACT AND OLD AGE SECURITY ACT

The House resumed consideration of the motion of Mr. Gillespie (for the minister of Finance), for the third reading of Bill C-260, to amend the Excise Tax Act and the Old Age Security Act.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, this particular topic pursued by the hon. member for Timiskaming (Mr. Peters), the hon. member for Moose Jaw (Mr. Skoberg) and others has properly been very thoroughly examined. My intervention in this debate will not be lengthy. However, in saying that I must also put forward a point that there has been a great deal of debate all this fall on a number of topics much of which has been repetitive. I feel that, as a member, I am entitled to some time this afternoon to speak on behalf of the municipalities I represent in the Fraser Valley. The hon. member for Timiskaming mentioned the good work the municipal officers and elected officials have done. He also mentioned the massive costs faced by the municipalities because of the extra services they are asked to provide which were not necessary when many municipalities were part of an agrarian society. Now, with greater technology and the movement to major cities the costs have intensified. The taxing power of the municipalities, however, has not kept pace.

In fact, I believe it is fair to say that the more dense the population of any municipality the higher the per capita cost faced by that municipality. I have some familiarity with this having at one time served on a municipal council. With the best will in the world, I think the members of that council were very conscious of the fact, living on the banks of the Fraser and concerned with environmental and sewage problems of that municipality and those surrounding, that they should do something about this problem of antipollution and pollution abatement. The point is, however, that we did not really accomplish this although we did establish a sewer system. Most of the sewage went to its destination in Burrard Inlet or the Fraser River without the benefit of even primary treatment.

• (5:30 p.m.)

So when we are talking about cleaning up our environment we are talking about costs facing cities and municipalities across the country. Of the nine municipalities that I represent in the Lower Fraser I do not know one that is not dumping raw sewage into either the Fraser or Burrard Inlet. We are a little hypocritical about this. When the government appoints, perhaps for appearances only, a new ministry called the ministry of the environment, that looks great. But we are not serious about this, because the government makes this appointment in the hope that perhaps we can clean up our environment and take steps to curtail its constant erosion caused by technology and increased population, and this looks great, but it is only a public relations job if we do not also assist, through taxation and other measures, the various levels of government which can take the steps necessary to clean up the environment.

Last night on CBC there was an excellent documentary at 10 p.m. to 10.30 p.m., I believe. It dealt with the interrelated problems of food chains, the population explosion and pollution. Anybody who watched that program knows that many people are concerned that, if we persist in the expansionist-minded preoccupation with the GNP, technology, crowding, population explosion and all the rest of it, we will prove that Malthus was right and that ultimately we are leading toward the destruction of human life on this planet.

I feel as strongly about the kind of thing we might be doing here to combat pollution as I do about the lunacy of the nuclear arms race, regardless of which country happens to be engaged in it at the moment. If we are really serious about attempting to make the world a more liveable place for perhaps another generation or two, then we most devote considerable funds to our fight against pollution. It makes no sense to me to be encouraging the municipalities, through the Department of the Environment, on the one hand to clean up their own backyards and on the other to deny them federal assistance through tax laws to do it. It is contradictory.

We have done the same thing with the Canada Water Act which, incidentally, was passed approximately two years ago. Not one river basin board has been developed in any province since then; but what is worse, we have done something similar to what we are doing here. We have set up the Canada Water Act and the particular agency to administer the act, without providing one cent of federal funds to assist in the cleaning up of the various river basins so as to achieve decent water standards across Canada. So we are not talking about piddling or insignificant things here. It is not just a matter of whether or not we should give a tax break on some sewer pipe to some municipality, which the hon. member for Essex (Mr. Whelan) says is tax free anyway, but we are attempting to reflect the whole concern of our party and the people we represent and, I am sure, members on all sides of the House, about where we are going environmentally.

The parliamentary secretary says, "I agree with you, but why pick on my bill?" We all want to get it over with and go home for Christmas. My reply to him is there may not be too many Christmases if we continue with this kind of lunacy. Every year for the four years I have been here this House has been subjected to these Christmas cliff-hangers. We can plan everything else, but just before Christmas we do not know about the DND planes and whether we will be here between Christmas and New Year. Surely, with this great group of planners, an automated and computerized society and our new committee system, we should be able to organize things so as to have a reasonable foreknowledge of when we are going to start the session and when we are going to end it. These cliff-hangers have gone on long enough.

The Acting Speaker (Mr. Boulanger): The parliamentary secretary wishes to rise on a point of order.

Mr. Mahoney: Would the hon. member accept a question? Would he not agree that if it were not for Christmas he would be making the same complaint about Good Friday?

The Acting Speaker (Mr. Boulanger): I hope that next time the parliamentary secretary will not raise a question on a point of order.

Mr. Rose: I would tell the parliamentary secretary in reply that I hope this debate will not last until Good Friday. I would also tell him that probably I have a more profound respect for this important religious holiday than he has.

Some hon. Members: Oh, oh!

Mr. Allmand: Look at the halo.

Mr. Rose: My next few words are words which usually bring applause. In conclusion—

Some hon. Members: Hear, hear!

Mr. Rose: —if I may be so bold as to correct the hon. member for Essex, when he alleged inaccurately in speaking to the hon. member for Timiskaming that practically all anti-pollution equipment is tax free, I say to him that if this is the case, why is it that such an august body as the Federation of Mayors and Municipalities as recently as December 23, 1971—which is pretty recent since it is this coming Thursday—has issued a release under that date in which they quote their representations to the Minister of Finance (Mr. Benson) on the matter of tax exemptions on this kind of equipment. They received a reply which I suppose they consider to be equivocal and evasive—those are my words not theirs—and conclude by saying:

> We are convinced that, in the interest of the objectives subscribed to, Bill C-260 has to be amended to extend to municipalities the same privileges that are given manufacturers and producers.

Obviously they must have some complaint or they would not have gone to the trouble of seeking an amendment to this bill to provide more funds for anti-pollution equipment. I think all they are asking for is equity with manufacturers. For the hon. member to assert that all this equipment is tax free is irrational and inaccurate. I am surprised that he said this.

Mr. Whelan: May I ask the hon. member a question? How can we give a municipality the same concession as is given to industry, because industry can write off any equipment in two years, and municipalities are not in business. I would tell the hon. member that I was a member of the organization to which he referred.

Mr. Rose: I am not prepared for the moment to argue with that kind of smokescreen. Clause 4 (2) (b) reads:

> Machinery and apparatus sold to or imported by manufacturers or producers for use by them directly—

Municipalities want the same right, and that is all we are talking about. They do not have that right at the moment. Regardless of that right, we have lost on this particular occasion. But I think it is important to say these things because it is absolutely hypocritical on the one hand to decide that we want a clean environment and a fine life on this planet for our children, and on the other hand to deny municipalities, with their limited tax base, access to tax free pollution control equipment.

Municipalities do not have the resources that the federal government has. Their money comes from property taxation. I would not like to be responsible for denying them the right to clean-up their urban areas.

• (5:40 p.m.)

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, in the space of about 15 seconds I would like to reply to the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) who talked about the "nonsensical" type of amendment that was introduced. I tell him that we were perfectly aware that we could not move an amendment to a clause that was not before the House.

Last evening, and again this afternoon, we asked the Minister of Finance (Mr. Benson) to give serious consideration to the representation of the Canadian Federation of Mayors and Municipalities all across Canada. This is not the time to relegate municipalities to the status of second-class citizens. I repeat, the government should give serious consideration to the federation's representation. I hope this leads to the government introducing an amendment to Bill C-260.

If there has been any nonsense, it has been on the part of the government which failed to accede to the federation's representation. In the spirit of Christmas I hope that the parliamentary secretary will urge on the Minister

of Finance the importance of introducing an amendment that will really mean something to Canadian municipalities.

Motion agreed to and bill read the third time and passed.

Mr. MacEachen: Mr. Speaker, I regret that I have not previously advised the Clerk that consultations have resulted in a desire to deal now with Bill S-9, the Copyright Act.

* * *

[*Translation*]

COPYRIGHT ACT

AMENDMENTS RESPECTING RECORDS, PERFORATED ROLLS OR OTHER CONTRIVANCES FOR MECHANICALLY REPRODUCING SOUND

The House proceeded to the consideration of Bill S-9, an Act to amend the Copyright Act, as reported (without amendment) from the Standing Committee on Justice and Legal Affairs.

Mr. Warren Allmand (Notre-Dame-de-Grâce) moved:

That Bill S-9, an Act to amend the Copyright Act, be amended by deleting from Clause 1 lines 15 to 23 inclusive and substituting therefor:

"(4) "Copyright" in respect of the contrivances mentioned in the preceding sub-section shall have the meaning ascribed to it by sub-section (1) of section 3 of this Act with the exception of the sole rights to perform the contrivance or any substantial part thereof in public or to communicate the contrivance by radio communication."

[*English*]

He said: Mr. Speaker, this amendment is a technical one, not substantive. Its purpose is to assure that following the passage of Bill S-9 record producers will be left with the right to protect themselves against record piracy and/or unlawful reproduction and distribution of their products.

The Minister of Consumer and Corporate Affairs (Mr. Basford) stated in the committee that he wants to protect record producers against this type of piracy, that he wants them to retain all their other rights under copyright except performing rights. There is no disagreement between the minister and myself on substance but we do disagree on the wording of the bill.

After repeated examination of the bill I am convinced that the words in it do not protect the record producers against piracy. The minister and his advisers say that the words in the bill do protect them. Our disagreement is on legal drafting and it is an important disagreement. It is important because if the bill is passed in its present form it will not only take away the record producers' performing rights but also many of the other rights that protect them against record piracy. I shall explain this in greater detail.

Under the Copyright Act, section 4(3), record producers are given the protection of copyright. In order to determine the meaning of copyright for record producers under that section we have to look at the definition section, which is section 3(1). Under that section we find that copyright comprises a package of four more basic rights—the right to produce, the right to reproduce, the right to perform, and the right to publish. This means that no one but the holder of the copyright can produce the work, reproduce the work, perform the work, or publish the work unless the holder of the copyright grants a licence to another person to do these things, or unless royalties are paid to the holder.

These are the rights which a record producer presently holds under the Copyright Act. Now the minister has decided that it is not proper for record producers to have performing rights under the Copyright Act and he introduces this bill to take away that right. But what does he do? Instead of leaving the record producers all their copyright rights under section 3(1) except performing rights, he takes away all their rights under that section in section 1(4) of Bill S-9 a new definition of copyright for records. The definition says that for records copyright will mean the sole right to reproduce.

In other words, if Bill S-9 passes, the only right under copyright retained for record producers will be the right to reproduce. Whereas the record producers had four basic rights under the Copyright Act, under Bill S-9 they will have only one basic right, the right to reproduce, and this despite the fact that the government said it wanted to take away only one right. If we are interested in taking away only one right, the performing right, they should be left with three rights, the right to produce, the right to reproduce, and the right to publish. Why is the government leaving them with only one right? I can say that by taking away the production and publishing rights in addition to the performing right, Bill S-9 seriously handicaps the record producers in protecting themselves against record piracy.

This handicap is confirmed by the provisions in the recent treaty against record piracy which was concluded in Geneva on October 29, 1971. This treaty was signed by Canada. Section 2 of the treaty provides that each signatory state shall protect the record producer against reproduction and importation for distribution. After the passage of Bill S-9 Canadian record producers will have protection against reproduction but not against importation for redistribution. One wonders how the Canadian government can sign a treaty saying one thing and then introduce a bill saying another thing.

• (5:50 p.m.)

Furthermore, in attempting to accomplish the same goal the United States Congress passed a bill, U.S.646, on November 15, 1971, providing protection against reproduction and distribution. Bill S-9 provides protection only against reproduction. To correct this defect in Bill S-9 I have introduced the amendment before the House which would leave the record producers all the rights they presently possess under section 3(1) of the Copyright Act except performing rights and radio broadcasting rights. I have included broadcasting rights because the broadcasting companies are most concerned. My amendment reads:

That Bill S-9, an act to amend the Copyright Act, be amended by deleting from clause 1 lines 15 to 23 inclusive and substituting therefor:

(4) "Copyright" in respect of the contrivances mentioned in the preceding subsection shall have the meaning ascribed to it by subsection (1) of section 3 of this act with the exception of the sole rights to perform the contrivance or any substantial part thereof in public or to communicate the contrivance by radio communication.

I say, let us leave the record producers all the rights they presently have except the right to perform and broadcast. In conclusion, I repeat that my amendment does nothing to change the principal purpose of this bill. It does, however, attempt to protect record producers in Canada against piracy of their works which the minister himself said he wishes to protect. I hope the government and the House will see fit to pass this amendment and grant justice to the record producers of this country.

Mr. D. R. Tolmie (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, Bill S-9 before the House was introduced in Parliament over a year ago. Because it is extremely short one would think it would be extremely simple. However, this is not the case and a great deal of parliamentary time and consideration has been given to this conceptually difficult legislation before appearing here for third reading. I want to thank members on all sides of the House for their willingness to deal with this legislation and for the help they provided in committee.

This is a most difficult area of law, perhaps because it deals with rights in respect of intellectual property. At the present time authors and composers of music have, and exercise, the right to extract money from radio and television stations and a whole host of other organizations that use music commercially, as payment for the use of their intellectual works. In 1967, the eight very large, foreign-owned record companies that produce 90 per cent of the records sold in Canada each year claimed the same right. They asked for a fee that would have had the effect of extracting about $4 million per year from the Canadian broadcasting industry.

The government had serious misgivings about this application, for three reasons. First, it was felt that this was wrong in principle, that while authors and composers have no other way of receiving fair remuneration for their work except fees for their public performance, the record industry does very well from the sale of records. Second, the government had referred the whole question of intellectual and industrial property to the Economic Council for review in 1966 and it was reluctant to see a new performing right exercised in the interim. Third, it was felt that the Canadian broadcasting industry, which bears great responsibility for the achievement of national goals in Canada as a matter of public policy, should not be required also to bear these extra costs—needless and unfair extra costs, in my view.

SRL withdrew their 1969 and 1970 tariff of fees but went ahead late last year with a tariff for 1971. The government met this with Bill S-9. Subsequently, the Economic Council reported and recommended the abolition of a performing right in records. Bill S-9 was considered at length by committees of both the Senate and the House of Commons. Every interest has been heard with regard to this legislation and, I might add, heard at length. I am opposed to the amendment which has been proposed.

It was suggested at the last minute that Bill S-9 removed more rights than it purported to do and affected more than merely the performing right in records. This was a matter of great concern, and to be absolutely certain that these allegations were without foundation the officials of the department were instructed to meet with representatives of those opposing the passage of the bill to consider the legal argument they were putting forward. As well, the advice of the Department of Justice was requested. I should add that we have several of the country's leading specialists in this field employed as consultants to the department. They were unanimous in their unequivocal endorsation of Bill S-9 as it presently stands. Furthermore, this position was fully supported by the considered opinion of the law officers of the Department of Justice.

I want to assure the House that Bill S-9 is designed solely to remove the alleged performing right in sound recordings and that the wording used does precisely what it purports to do, and nothing more. Allegations that this legislation, when enacted, would promote infringement of sound recordings have no substance in fact.

Two other points were raised in the Justice Committee and I would like to allude to them. First is the concern expressed by the hon. member for Fraser Valley West (Mr. Rose) regarding the inequitable position of performers. The Copyright Act is now being revised, and I think the minister expressed his concern and his sympathy for the position of the performers and stated quite unequivocally that the point made by Mr. Dodge of the CLC and by the hon. member will be kept in mind during the revision of the act.

This legislation is effective from January 1 this year, and some have argued that this has the taint of retroactivity. I dispute this because the record manufacturers have at all times known, and have been on notice, that the government would not stand idly by should they press their case for a tariff before the Copyright Act revision was before this House. When they did so last year, the government introduced this legislation and the parties affected were clearly aware of the fact that any performing right they had would be removed, effective January 1.

As an example of what might be considered retroactive legislation, a budget speech may not be followed by legislation for several months yet it is from the date of the budget speech that the legislation is made effective. This legislation is no different. Parliament has the power to specify when an act shall come into force, and while the legislation can have no effect until passed, public notice of the date intended for commencement was given so that persons could adjust their affairs if they wished.

Mr. Speaker, this bill received a detailed hearing in the Senate and was considered at length by a committee of this House. Its full implications were considered by the Deputy Minister of Justice and by his officers, as well as by the department's officials and consultants. I commend this legislation to the House.

Mr. McCleave: Six o'clock, Mr. Speaker.

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

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, my colleagues in the official opposition have agreed that there shall be one speaker only on Bill S-9. It seems most convenient to make that speech at the report stage, the hon. member for Notre-Dame-de-Grâce (Mr. Allmand) having pretty well put the issue before us with his amendment. I hope that I will be allowed to make the whole speech and then have it done with.

I think it will please all members of the House when I say that Canadian talent does reap its own reward and that last year, and I am speaking of the full calendar year, over $5.5 million was paid by the Canadian Broadcasting Corporation and various stations which make up the Canadian Association of Broadcasters to the artists, performers and composers of Canada. That is how much the Canadian broadcasting industry paid to these people. Clearly, artistic merit in this country is recognized substantially.

The issue that we are concerned about does not involve directly, although it might indirectly, the authors, composers and publishers as such. What it does involve is whether performing rights such as I have mentioned should be extended to the broadcasting or other public performance of recordings. It is this issue which brings Bill S-9 before the House. Is the right to broadcast or play recordings in public a proper right?

It has been argued, Sir, that if I am an automobile dealer and I decide to sell you an automobile and somebody else an automobile for the same price, I cannot, if the other purchaser decides to use that automobile in the taxi business, say to him, "Since you will make extra money out of this automobile which you are to use for commercial purposes I can, therefore, charge you extra for it." That, substantially, is the position the recording companies are asking us to adopt when they ask us to defeat Bill S-9. I say, on my own behalf and on behalf of my associates, that we reject that position of the recording companies. I want that clear on the record. We reject that position and therefore we are fundamentally in agreement with the principles set forth in Bill S-9. Let there be no mistake about that.

Some hon. Members: Hear, hear!

Mr. McCleave: Later in my speech, which will be remarkably brief, I will point out what I think was the error in the presentation of the hon. member for Notre-Dame-de-Grâce. Nevertheless, we owe him a debt since at least he has put the issue before us and has presented in the best possible way one side of the argument. It does not appear that many support this position.

We find ourselves in distinguished company in rejecting the position of the recording industry and its friends. One could go back to someone with whom older parliamentarians in this House served, namely, J. L. Ilsley, one time member for Annapolis-Kings, and subsequently Chief Justice of the Supreme Court of Nova Scotia. In 1957 he brought in a far reaching report on copyright. He headed a royal commission on copyright. The Ilsley commission, in dealing with an issue similar to the one before us tonight recommended in part:

> The act restricted by the copyright in a sound recording should be the making of a record embodying the record.

In other words, as suggested earlier by the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Tolmie), the only right that should be protected is the right to reproduce. I think that is an important argument because, as the mover of the amendment has suggested and as the spate of telegrams which has arrived in the last couple of days has suggested, the piracy that takes place in the reproduction of records can be cured if we reject the principle of Bill S-9. I hope I can show in my speech that this argument is utterly fallacious. In any event, those who agree with Bill S-9 find themselves in good company, not only with the Ilsley Royal Commission on Copyright but with the report of the Economic Council of Canada. I quote a portion of that report which deals with this matter:

• (8:10 p.m.)

> We continue to accept the concept of a performing right in the basic material because this is the only way in which a writer of such materials can get payment related to the use of his work in the market. The record maker on the other hand, in spite of many creative inputs by his staff, is really in the business of selling a physical item such as a disc or tape and it is this activity that should reimburse him.

I think that puts the point very well. I mentioned telegrams. I think it should go on record that counsel for the main opponent of this bill, in a last effort to hold off passage of Bill S-9, telephoned the Minister of Consumer and Corporate Affairs (Mr. Basford). I quote from his telegram:

> —it was prepared not to exercise any of the rights which it presently enjoys under the Canadian Copyright Act pending a complete revision of the said act.

This is their latest position. It is an attempt to hold off passage of Bill S-9. I understand the minister is ill and cannot be here. I take it from the fact the measure was called and we are now debating it that the government has in fact rejected this last-ditch effort of the opponents of the bill. The parliamentary secretary indicates that this is precisely the position.

It does not disturb me very much that such an attempt was turned down. I think we are proceeding on the right course of principle. In my opinion, there is no reason to accept such a request. I do not think the right should have existed in the first place, if in fact it does exist under the present law. I am not prepared to concede that. The issue was never determined in the courts. I think we are bound on the right course. My conscience will not give me a twinge because I support the passage of Bill S-9.

I am sure the parliamentary secretary will take this message to his minister. We have been told over and over again in various committees, particularly the broadcasting committee, when dealing with performing rights and the creative abilities of Canadian artists, that there is desperate need for a new Copyright Act in Canada. The Economic Council of Canada has released its recent study. I hope we can expect some action in regard to the Copyright Act.

I think in a moment or two I will be able to point out that the piracy argument, while a fallacious one with regard to the principle we are studying this evening still deserves some kind of answer. In the *Globe and Mail*, the second last page of the entertainment section, there is an article from Hollywood about the millions of dollars lost to record pirates. This points out the problem in the American recording industry. One witness who appeared before the justice committee said that as much as 25 per cent of the material sold as records in Canada represented pirate material. These were tapes brought across the American border. Believe it or not, most of our taping is done in the United States. As much as 25 per cent of the Canadian record industry can be said to be based on pirate operations. There is need for enforcement in that field.

The hon. member for Notre-Dame-de-Grâce spoke about piratical operations. There is a provision in the Copyright Act to deal with that. It is a question of better enforcement. During the discussion in committee, the Commissioner of Patents, Mr. A. M. Laidlaw, was faced with this argument about pirates. He said, as recorded at page 51 of issue No. 43 of the proceedings of the Standing Committee on Justice and Legal Affairs:

—that right is derived from the fact that the manufacturer gets the right to produce either from the composer by the assignment of that right, or secondly through compulsory licensing provisions which are set out in section 19 of the act.

The hon. member can look there for the remedies that the recording industry now have and enjoy. The point about piracy was made by myself in an exchange with Mr. Laidlaw. I quote from the following page:

MR. MCCLEAVE: Could I boil it down? It seems to me that the one fact we are faced with here is no matter what SRL has as its interpretation of the law there is no change made whatsoever by what we are being asked to pass. Am I correct in saying no change whatsoever? If they were in trouble before, they will be in trouble in the future, but that is up to a better revision of copyright law. Am I correct in stating it that way?

MR. LAIDLAW: That is correct.

MR. BASFORD: And better enforcement.

That is the problem. It is not to put something new in the law, as suggested by the hon. member for Notre-Dame-de-Grâce, but to put bigger teeth in the law, have a better method of enforcement or a higher penalty so that it is worth while tracking down the people who engage in pirate operations. I suspect that what is happening in Canada, with the remarkable amount of high-priced talent engaged on both sides of the issue and some considerable lobbying on both sides, is some sort of trial run for events in much larger markets such as the United States, West Germany and the United Kingdom. I am suspicious when I see counsel, who normally earn $1,000 an hour on enterprises like this, standing around. I do not think they are here for the amount of money that can be gained, even if the recording industry in Canada is successful against the broadcasting industry. The chips on the table are of such a size that we can imagine there is a far greater gain involved.

There is a provision in the bill that would make this law retroactive to January 1, 1971. If the recording industry had a right which it tried to exercise this year, that right would be wiped out by the retroactive provision that we have in this law. My colleagues and I resisted that in the committee. If the House were proceeding at a different time of year I would found my doubts in a motion to strike out that part of the law. However, we are getting near the end of the session and Parliament can only do so much.

I talked this matter over with the recording industry. They are not so concerned about the difference a year will make as they are with winning the whole ball game. They are not going to win the whole ball game, so I do not feel too badly about not putting the issue to the House. The issue of retroactivity was well scouted in the Justice committee. My colleagues and I put forth the best arguments we could. When the matter was put to a vote after several hours, we stood alone; we could not persuade others of the righteousness of our cause.

• (8:20 p.m.)

I know my colleagues would want me to say, in the one speech to be made on this bill on behalf of my party, that in this regard the principle is the same: we are unalterably opposed to the imposition of retroactive provisions which could take a possible existing right and remove it by act of Parliament. We generally approve the principle of the bill and accordingly wish it to become the law of Canada.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I am glad of this opportunity to say a few words concerning Bill S-9, entitled an Act to amend the Copyright Act. I leafed through the proceedings of the Senate Committee on Banking, Trade and Commerce, which devoted several meetings to consideration of the bill to amend the Copyright Act, and I was very much impressed by the convincing evidence given to that committee by some organizations and individuals.

I also received many representations from people directly or indirectly affected by Bill S-9, and I came to the conclusion that we should support the bill under study.

The bill is simple, I think. It concerns the removal from the act of the performing rights of record manufacturers or other owners of sound reproduction equipment, as if the record or perforated roll was in itself a musical or artistic work.

Evidence was produced before the Senate committee to the effect that if radio broadcasters, for example, had to pay fees as demanded by the consortium of large record companies, it would cost record producers over $4.5 million a year, of which more than $800,000 would be paid by the CBC alone.

Sound Recording Licences, which groups MCA, RCA, Warner Bros., London, Columbia, Polydor, Capitol and others—all American companies with the exception of two that are German or British—is asking for 2.6 per cent of the gross income of private radio stations, 0.5 per cent from private television stations and 4 cents per capita from the CBC, and that adds up to additional payments of over $4 million.

I must admit that over 75 per cent of that amount would leave the country because those companies are foreign-based and have only branches in Canada and the recordings are only reproductions of the initial recording.

It is true that in Great Britain record manufacturers are protected under the Copyright Act but such is not the case in the United States. Should Canada reject the amending measures under discussion, the majority of record companies which are only branches of American companies from which they obtain the original recordings would benefit in Canada of a right which the American government denies them. We are not as rich as the Americans and we should therefore act accordingly.

In his testimony before the Senate committee, the President of the Baton Broadcasting Ltd., of Ontario, Mr. Goodman, has proved that 90 per cent of all 11-inch records sold in Canada are subject to a per unit royalty of 60 cents that is paid over to the parent company which has delivered the licence to its Canadian branch plant.

Another aspect to be considered is that Bill S-9 does not purport to limit in any way the rights of artists, otherwise I would be one of the first to rise against such a restriction because we have in Canada very talented artists who deserve to be encouraged and whom the government should assist financially to enable them to improve their ability to the benefit of Canada as a whole.

We should emphasize, first of all the testimony of the right hon. J. L. Isley as contained in a brief he submitted in 1957 to the Royal Commission of inquiry on copyright and I quote the following from page 77:

> The act restricted by the copyright in a sound recording should be the making of a record embodying the recording.

• (8:30 p.m.)

> At the present time it would appear that an unauthorized public performance of a recording embodied in a record is an infringement of the copyright in the record. . . . We recommend the abolition of a record manufacturer's performing right and broadcasting right in records or in the recording embodied in the record.

In its Report on Intellectual and Industrial Property the Economic Council stated in January 1971:

> It is presently stated in the Copyright Act that a particular sound recording as such has a 50-year protection against direct copying, just as does a photograph. A major point at issue here is the associated performing right in such a recording whereby a record-maker would have, like the writer of the words and music, a legal claim to collect a fee from public users of his product above and beyond the original sale price of the recording.

I still recognize the principle of the right of performance or of representation concerning the original work since that is the only way the author can obtain remuneration for the use of his work on the market.

However, as concerns the recording producer, even if his staff does valuable and truly creative work, his trade is the sale of a purely material thing, that is a record or a magnetic tape, and he must expect his remuneration from that trade. To say that he also deserves a royalty each time his product is used publicly would mean that the publisher of a book is entitled to a supplement each time the book is read.

This is why I support Bill S-9 now before the House. I consider that the artists whose works are broadcast day in and day out over the radio and in all parts of Canada are enjoying a free and extraordinary publicity which deserves to be recognized by the artists themselves, and I do not see why these same artists would oppose the passing of Bill S-9 which, in a way, protects them against those who sometimes exploit them very dishonestly.

I for one consider that Bill S-9, besides protecting the Canadian radio stations, at the same time provides the Canadian artists with a protection that they did not enjoy before. In fact, they will no longer be exploited by American firms, to the prejudice of the artists and the Canadian people in general.

Mr. Speaker, I wanted to give my support to Bill S-9 in the course of this debate because I deem it fair and useful not only to the artists but also to the Canadian radio stations.

[*English*]

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, we are considering an amendment put forward by the hon. member for Notre-Dame-de-Grâce (Mr. Allmand). Since it was agreed that we would have one spokesman from each party and limit debate on the bill, perhaps I might be permitted to speak briefly to the amendment and later to the main motion.

I should like first of all to say that I am not particularly impressed with the piracy argument that is asserted in telegrams I have been receiving. It seems to me there was considerable discussion of these matters in the committee and that this question was resolved, certainly to my satisfaction if not to the satisfaction of the hon. member for Notre-Dame-de-Grâce. He is a lawyer, and if he took the trouble to read section 4 that is being amended it seems to me very little more protection could be offered recording companies than that already provided.

This afternoon the hon. member suggested that the right of reproduction is protected here, though he had some doubt about the right of dissemination—at least, if I understood him correctly. It seems to me that if you control the right of reproduction you also control the right of dissemination because, after all, it is very difficult to disseminate something that has not been reproduced. I do not usually associate the statements of the minister with competence, though of course we always have competent statements from his parliamentary secretary. I can see no reason why any government in its right mind—and from time to time we do ask that question about this government—would put itself in the position of supporting any measure that would invite piracy in this country of intellectual and artistic properties. That argument just does not wash with me.

Mr. Jamieson: Have you really anything to worry about?

Mr. Rose: I do not know that I have, because I have no intellectual or artistic properties to protect at the moment. But I should like to say that I think this whole thing is a red herring, and although I have a great personal regard for the hon. member I regret that I cannot support his amendment. Perhaps enough has been said about that for the moment.

My views about this legislation are well known to anyone who cares to read the minutes of proceedings of the Standing Committee on Justice and Legal Affairs which considered this bill for five, six sessions or more. Therefore I shall not go into the legal history of Sound Recording Licences' attempt, after over a quarter of a century's silence, to assert some right under the Copyright Act to levy a performance fee on radio stations in addition

to that already paid by radio stations to performing rights societies such as CAPAC and BMI.

As I have said, I shall not go into the history of the matter for those who know the issues involved. Those who do not, probably do not care anyway. However, I must say at the outset that I speak on behalf of my party in direct support of Bill S-9. I regard the move by SRL, a foreign-dominated collection of huge recording companies, as little more than another grab at the public's pocket book. I feel that anyone examining the history of this industry would come to the conclusion that the ethics of this particular group are far from savoury.

SRL has fought a hard fight. It was a battle complete with high-priced legal help and a flurry of telegrams to MPs. Although I hate to say this, I think there has also been a manipulation of performers, and included in this manipulation were the struggling Canadian recording companies. And all this in an effort to support their claim. It seems to me that the local, indigenous recording companies and performers were perhaps forced to accept the benevolence of SRL only because they really had no other alternative. The blame for that, I think, we can lay directly at the door of government—perhaps not this government but historically at Canadian governments. I want to speak about that later.

I think we should examine what is behind this big push by SRL to assert there was some previously existing right under the Copyright Act. Two years ago SRL suddenly decided it wanted to assert this right and to go before the copyright appeal board with their case. Why were the stakes regarded as so high that it warranted such an expensive campaign? I think it is worth thinking about that question. If SRL's performance fee were legitimized in Canada, a foot in the door would be established for making an onslaught on the lucrative and huge market in the United States. It was important to establish that foothold here in line with the pattern of precedence.

Before the committee, SRL claimed that it knew this performance fee was paid in Europe and perhaps in Australia; therefore, logically it should be paid in Canada. If they go to the United States legislators and say this has happened in Europe, in Australia and now in Canada, how can you contradict the logic that it should apply in the United States? Conditions are not at all congruous. There are many state-owned radio stations. As a matter of fact, the situation in Europe does not at all prevail in Canada. I think that is the loophole in their argument.

• (8:40 p.m.)

Nevertheless, the SLR is playing for stakes much larger than their always-amended-downward claims. Of course they want, and need to get, and right now, into the United States market. That is why they are here. That is why they were willing to ask for assistance from various people such as performers and perhaps indigenous record manufacturers. I do not think any of us can buy that argument. The United States Congress, for example, for years has repudiated similar initiatives as those put forward by SRL. That is part of the history.

I think at this point it is important for me to say that while I completely reject the concept of performance rights as a charge on Canadian radio stations by recording companies, radio stations are currently paying fees to certain performing rights societies such as BMI which is owned by United States radio stations, and also CAPAC which is the equivalent of ASCAP in the United States, to the extent of 2.6 per cent of a station's gross revenue. The stations pay that whether they are music stations or top show stations.

I reject the idea of additional performance rights being granted these particular companies, for a variety of reasons. I shall not necessarily reveal these tonight. Certainly we examined a number of these reasons in the committee. I do not believe certain radio stations are paying too much for their principal product. They have music and I do not believe they are paying too much for this. The music they play is their reason for existence in most cases. I do not think their fees to BMI or CAPAC are unnecessarily burdensome. The fees the stations pay to BMI and CAPAC ultimately fall back to the truly creative individuals in the complex chain which ultimately results in the record. The fees paid by the radio stations through CAPAC and BMI go back to the creative people, the publishers and the composers.

A colleague asked me if I would give an illustration of what is BMI and CAPAC. I thought I had said earlier that BMI is a performing rights society owned by American radio stations and that its full name is Broadcast Music Institution. CAPAC is the Canadian Association of Publishers and Composers. In saying these things it should be recognized that the manufacturer of a $6 disc or record, such as Columbia or Capitol, is not rewarded directly by the radio station, but the publisher and composer receive approximately 2 cents each time the record is played. Publishers and composers are not amply rewarded for their creative efforts. I think the main plot of this enterprise, which is described by the council for SLR as a troika, is for the record companies to get more than the people who probably came up with the intellectual property in the first place.

The real "kicker" is that before most songs are released by most major companies represented by SRL, the company insists on obtaining the publishing rights from the composer and thus along with benefiting from the sale of the record for $6 the recording company also gets the publishing rights and therefore receives the one cent from BMI and CAPAC. In addition, I believe it is well recognized that the eight major recording companies represented by SRL are among the most vertically and horizontally integrated companies in the world. They own publishing companies, sheet music companies, broadcasting stations and a network. They control the industry down to the retail level. They can make or break a particular performer. They are interested in areas far removed from the music business. They are exceptionally greedy. They want to grab as much as they can possibly grab from any particular segment of society.

SRL's attempt to defeat Bill S-9 makes me sick. This is the reason, in spite of the fact that I have certain reservations, I shall vote with the government and support, of all people, the Canadian Association of Broadcasters, which also gives me some feelings of discomfort from time to time because while the Canadian Association of Broadcasters was very agile in supporting the government's position as against SRL's performing rights I am quite certain that if certain performing individuals such as

actors or singers attempted to establish a performing rights society here in Canada to reward the performers for their particular residual right, there would be almost a revolt or at least a reaction from these same people. CAB is for performers so long as SRL is going to get the action, but I wonder what their reaction would be if the performers approached the radio stations with their own performance group.

I should like to spend a minute or two on my real concern. While I do not, as I have said, support SRL's performance rights, in the words of at least two very famous men I want to make perfectly clear that I do support performing rights as opposed to performance rights. These performance rights have been asserted by various creative people through AFM ACTRA and Actors Equity, who have expressed support for the rejection of Bill S-9. I am also in sympathy with the struggles of our indigenous recording industry. I am not talking about the subsidiaries, but about the idigenous recording industry about which I am sure my hon. friend from Bellechasse (Mr. Lambert) spoke a moment ago.

I would like to see this indigenous industry flourish as a positive cultural force in our country. I think we should do all we can to assist them in developing the Canadian culture. We spend millions of dollars doing this in other areas. The creative people, through the CLC, appeared before the committee and took a position against the passage of Bill S-9 chiefly because SRL was the only group which recognized the residual rights of performers to benefit from any ongoing success of their intellectual properties.

• (8:50 p.m.)

I think it might be well to briefly underline what happens. If you happen to be the composer of a very successful work that is recorded you can receive benefit through CAPAC copyright for up to 50 years perhaps. If you are a fiddle player on an Anne Murray record you play your recording date; according to the contract it might end up as a $90 session, and from there on you are out in the cold. It seems logical to me that if one participates positively in creating a very successful recording as a performer in the backbenches of a musical group, that performer has a right, because of his efforts to be part of the success of that recording, along with the publisher and the composer. So I support performing rights as opposed to performers' rights as applied to recording companies, especially those which are not Canadian owned.

Why were the performing groups such as ACTRA, the Musicians Union and Actors Equity opposed to Bill S-9? They were opposed because they had years of frustration in dealing with the government in an attempt to have their residual rights recognized as a basic right in our copyright law. As a result of their frustration they used SRL as a vehicle to advance and publicize these claims which have been ignored by the government for years. SRL was merely a court of last resort for the performers and creative people. It is regrettable that this is so. It seems to me that Canadian recording companies and Canadian performers are getting into bed with SRL as the elephant, but all they will get out of it is a peanut. So I do not support their claim, and I regret to have to say this.

The parliamentary secretary, kind, honourable and handsome gentleman that he is, said this afternoon that the Minister of Consumer and Corporate Affairs (Mr. Basford) is sympathetic to the economic aspirations of Canadian performers. What good is sympathy? One thing the government has been able to do for these people for years, perhaps above all else, is to give sympathy. That is hardly enough at this point.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I must do so to remind him that the time allotted to him has expired. The hon. member may continue if there is unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Mr. Mahoney: Say something.

Mr. Rose: I thank kind hon. members in all quarters of the House for allowing me perhaps one or two minutes to say something in conclusion. So I will proceed with the climax of this speech—

Some hon. Members: Hear, hear!

Mr. Rose: —as expeditiously as possible, and I promise in gratitude that I will not insist on the performing right. I believe it is recognized by the government that we need a complete overhaul of the Copyright Act. I think we need also—in fact, I am very determined about it—to push for a kind of amendment which would result in establishing in Canada once and for all the residual rights of Canadian performers to participate in the ongoing benefits of an artistic property in which they participated. That is crucial. When the copyright was first developed we dealt mainly with the print medium. That was not really airtight. But technological changes since that time have forced us to take a new look at the whole area of artistic and intellectual properties. I am pleased that the government is looking into this matter and I wish them success.

I have a suggestion to make. Let us boost the total charge on radio stations from 2.6 per cent to about 3 per cent. Let us distribute to CAPAC and BMI a grand total of about 2 per cent of the station's gross, which would ultimately flow to publishers and composers. Let us take the 1 per cent, or as it would work out according to the CRTC one-third Canadian content regulation, and through some kind of Canadian performance society distribute that one-third of the gross to Canadian performers and record companies through some formula. I am not hung-up on the particular figures; it is the proportion and the recognition of the rights that concern me. But why not try to develop such an amended formula? Who can quarrel with it?

I do not think stations would quarrel with it if the total required for performance fees with performance rights associations came down slightly or went up slightly. I do not think they can quarrel basically and philosophically with this suggestion. Certainly the Canadian performers would not quarrel with it. They would probably be very pleased because through SRL they would be making an effort to establish what they consider to be a very basic and crucial right for their own economic and cultural

benefit, and that is why I am supporting this bill. Who in Canada needs SRL anyway?

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion (Mr. Allmand) negatived.

Hon. Allan J. MacEachen (for the Minister of Consumer and Corporate Affairs) moved that Bill S-9, to amend the Copyright Act, as reported (without amendment) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

Mr. MacEachen (for the Minister of Consumer and Corporate Affairs) moved that the bill be read the third time and do pass.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am sure that most of us have received representations from radio stations and other broadcasting outlets concerning this bill. I support the remarks that were made by the hon. member for Fraser Valley West (Mr. Rose) this evening and I am pleased that the amendment was turned down.

• (9:00 p.m.)

We have always wanted sufficient funds provided for Canadian performers in order to encourage them to stay in Canada rather than going to the United States for higher wages. We were pleased with the recent decision made by the CBC to retain a particular performer on a salary basis, as a result of which he will remain in Canada and develop his talents here. We have a very favourable record in the development of Canadian talent. One has only to watch American TV shows to see the influence that Canadians have on them. I found it interesting the other night listening to Mr. Olson doing what I did not realize at the beginning was a spoof on the influence of Canadian artists on American culture. He named individuals and stressed the number of Canadians who are participating in American programming. Most of them got their start on Canadian TV but went south of the border because they could earn more money there. It was a very good program.

I believe we have an influence on American cultural affairs far out of proportion to our size. Any effort made to provide greater reward to artists in Canada, to enable them to stay here, is worth while. Therefore, it was with some trepidation that I learned an agency had been formed in Canada to collect certain fees, not to give money to performers participating in the arts here but on behalf of the companies manufacturing records. These companies, under this arrangement, were going to get a rake off every time a record was played on a disc jockey show. Canadian talent is not second rate, but perhaps it suffers from the same fate as that of the prophet who is spurned in his own land. We did not really appreciate Wayne and Shuster half as much when they were doing weekly shows in Canada as we do now when they come to us via an American network with their own special shows.

The CRTC regulation requiring greater use of Canadian talent has been beneficial. I agree with the suggestion of the hon. member for Fraser Valley West that funds be increased for the purpose of providing artists and performers with a major share of the revenue. If we are going to allow radio stations to be charged a fee every time they play a record, and the revenue is to go to the companies which press records, we may well see some radio stations playing old records on which the copyright has run out after expiration of the seven-year limitation. I agree that the government has taken a proper step in this case to correct what many radio stations consider to be an abuse by record companies which are united with other companies in an agency set up for their self-help rather than for the sake of helping performers, artists, directors and others connected with the industry.

An important factor to remember is that disc jockeys play a large role in the merchandising of new Canadian talent. Records are donated to them by the record companies. The royalty that a performer receives depends on the volume of sales of his record beyond a certain figure. If a disc jockey likes a certain record, plays it repeatedly and it becomes a hit and is bought in the record stores, then the artist and the orchestra which provided the background benefit. Any curtailment on the use of such records will make it more difficult for newcomers to get into the field. I am told that about only one out of every thousand records becomes a hit. Most of the records played by disc jockeys do not find ready acceptance. Disc jockeys play a major role in communities which are served by only one local radio station. In such cases disc jockey shows are less expensive than other types of programs initiated by the local station. This is something which the CRTC will have to supervise closely.

Many of the disc jockey shows are loaded, and in the United States there have been pay-offs and kick-backs from record companies to disc jockeys, encouraging them to push particular records. This is something that must be borne in mind by the CRTC, as well as the time devoted to hot-line radio programs. If a controversy develops on a hot-line show, a station is inclined to devote a lot of time to that type of show to the exclusion of other forms of entertainment. This is particularly so in areas which are dependent on one radio outlet. There has to be a balance in these matters.

• (9:10 p.m.)

I appreciate the speed with which the government acted in this instance, Mr. Speaker. They have passed this legislation in advance of the United States and I know it is well received by radio stations and will make their operations easier and less expensive. The other fact has not been faced, however, and it involves the requests made by organizations representing actors, performers, artists and those connected with the production end of the recording industry. If any moneys are to be taken from the radio stations, obviously they should be directed to the performers.

It seems to me that we have an opportunity to encourage more Canadian talent now that the CRTC broadcasting regulations have been changed. We also have an obligation to provide the necessary funds in order to eliminate competition between the United States and

Canada so that it is not mandatory that anyone in this country seeking to rise above the current salary range look to the American market. Our market can be developed and more money provided to radio stations through the industry. I strongly urge the government to give the same speedy consideration to that aspect of the matter as was given to the protection of the radio stations who in my opinion were being victimized by an agency which found that the loopholes in the copyright legislation were almost a form of money.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Motion agreed to and bill read the third time and passed.

* * *

CUSTOMS TARIFF

Hon. Allan J. MacEachen (for the Minister of Finance) moved that Bill C-261, to amend the Customs Tariff, be read the second time and referred to a committee of the whole.

The Acting Speaker (Mr. Laniel): Is it the pleasure of the House to adopt the said motion?

Mr. Peters: Mr. Speaker, before this bill goes to the committee I would ask if a brief explanation is available. An explanation may have been given in the budget debate but I am not aware of it at the moment.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, Bill C-261 provides for the implementation, without change, of the ways and means motion relating to the Customs Tariff which was tabled in the House on June 18. The clauses of the bill correspond to and are in the same order as the paragraphs of the ways and means motion.

In his budget speech, the Minister of Finance (Mr. Benson) made mention of the more significant tariff changes which appear in the bill. These included the implementation of two Tariff Board reports without change. One proposed a reduced rate on raw materials used in the petrochemical industry, item 26910-1; the second recommended bringing the duties on polyethylene into line with the rates which apply on most other plastics made in Canada, items 93902-3, 93902-42 and 93902-82. He also referred to a new provision, item 41100-1, which would accord machinery used in sawmills and logging the same tariff relief as is now given to production machinery under the machinery program. Another change of general interest was removal of the duty on heavy fuel oils.

At this time I intend to comment only very briefly on the four clauses of the bill before the House. If hon. members so wish, I will be pleased to provide more detailed comments on individual tariff items of interest to them when we are going through the bill in committee of the whole.

The Customs Tariff contains three schedules. SChedule A to the Customs Tariff enumerates the goods subject to duty and those which enter free of duty. Schedule B provides for drawback of duty on certain products, while schedule C lists the goods which are prohibited importation.

Clause 1 of the bill amends schedule A to the Customs Tariff by deleting a number of existing tariff items and by inserting the tariff items which appear in schedule A to the bill. These changes are largely of a relieving or of a technical nature. They provide mainly for reduced rates of duty on production equipment and materials. They meet representations from associations and individuals.

Clause 2 of the bill deletes several items from schedule B to the Customs Tariff and provides for the insertion of the two items which appear on page 8 of the bill. Clause 3 provides for an amendment to an existing item in the prohibited schedule to the Customs Tariff. The amended wording is shown in schedule C to the bill. Finally, clause 4 is the usual provision for the tariff changes set out in the bill to come into force on a provisional basis on the day following the budget, subject to approval by Parliament.

Mr. Peters: Mr. Speaker, may I ask the parliamentary secretary a question? What is meant by the expression "provides for drawback"? Is this an item which receives a rebate of excise moneys paid in the area of purchase and, if so, for how long a period does it apply?

Mr. Mahoney: A drawback is a refund that one is entitled to claim when goods have been imported under certain circumstances. The duty is paid in the original instance but if the party proves the necessary circumstances he is entitled to a refund.

Mr. Peters: For a year?

Mr. Mahoney: I shall have to look at the bill, Mr. Speaker. I cannot say what time limit, if any, is imposed on the period for making application.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in appropriate circumstances I think we might have some fun tonight. If I were endowed with the skills of the hon. member for Halifax-East Hants (Mr. McCleave) and could write doggerel poetry, we could have a lot of fun looking through the various provisions that come up tonight for consideration in the Customs Tariff. The parliamentary secretary has read to us one of the most catholic, stereotyped statements ever to come out of the Department of Finance with regard to the customs section. I say "catholic" but I apologize and retract the term and say the most stereotyped statement.

Let us look at the various provisions. Some of them are worthy of note because they indicate an honest endeavour on the part of the government to do something, albeit belatedly, with regard to the petrochemical industry which has been in trouble for a long time. I recall my remarks in the budget debate of June in regard to the changes being made in the duties on petrochemical feedstock and other related provisions, and I still think that the government has given this industry a terrible knock

on the head. This may be in expiation to some degree, but the proof of the pudding will be in the eating.

In his reply to these remarks I look to the parliamentary secretary to state what the reaction of the petrochemical industry had been to these changes, as it is now six months and three days since the tariffs were lowered. After all, they were effective on the night of June 18.

• (9:20 p.m.)

I return to my original theme. I am very sorry that my colleague from Halifax-East Hants is not here to assist me, because I think these changes would give his skills in doggerel verse unlimited scope. As I look at the first item I wonder, even though I know the government is able to escape payment of customs duties on its own purchases, whether the Minister of Finance (Mr. Benson) is not trying to show industry and commerce how to decorate offices in the new style. The committee on miscellaneous estimates had something to say about the expenditure of $75,000 for imported tropical plants which were to be used in the new offices of the Minister of Finance. That minister is not bothered by any customs regulations, because the government of Canada can import any type of commodity free of customs duty. When we look at the first item under schedule A, item No 7801-1, what do we see? The item reads:

Palms, ferns, rubber plants (Ficus), cannas, dahlias, paeonias, rhododendrons *including azaleas*—

Mr. Barnett: In British Columbia we put the accent on the first part of the word, not on the last.

Mr. Lambert (Edmonton West): I have never been sure how to pronounce that word correctly. I have always it pronounced it "azalea", with the German pronunciation.

An hon. Member: That is not how it is pronounced in British Columbia.

Mr. Lambert (Edmonton West): All right, that is not how it is pronounced in British Columbia. But in the country that grows these plants in great profusion, Belgium, the word is pronounced as I pronounced it. I have cousins living in a suburb of Antwerp, on Azalea Strasse. I shall stick to my ancestral pronunciation.

An hon. Member: In British Columbia we call them azaleas.

Mr. Lambert (Edmonton West): The hon. member calls them azaleas his way. That is fine. But why is the change respecting azaleas in there? Is the plant included because it has become a favourite of the Minister of Finance and is to be used for purposes of office decoration? If so, he should be emulated across the country. I have dealt with the first item. The second item will bring me benefits. I have a reputation among my colleagues as being somewhat of a gardener, and I like it.

Some hon. Members: Hear, hear!

Mr. Lambert (Edmonton West): So for greater clarity may I say that gladiolus bulbs may be imported into the country as corms, duty free. I will take advantage of this item because I love gladiolus and I am grateful for this change. Then we come to item 7804-1, which has been changed. It covers hydrangeas and other pot-grown plants.

Mr. Benjamin: Male or female?

Mr. Lambert (Edmonton West): Are we to go into a pot growing campaign for the growing of pot? I don't know. Mr. Speaker, listen to what it says at the end of that item:

All the foregoing imported or purchased in bond in Canada by florists or nurserymen for bona fide forcing—

What interest has the government in bona fide forcing? I know the government tries to force things through the House, but that is not bona fide forcing. What is bona fide forcing with regard to hydrangeas and other pot-grown plants? Those are some of the things we are concerned about in these changes in Bill C-261.

Then I turn to item 7915-1, which covers flowers and foliage, natural, cut, whether or not in designs or bouquets and—listen to this—"whether or not coloured by osmosis, not otherwise provided for." There is a tariff change in regard to that item.

Mr. Benjamin: And it must be put through before Christmas.

Mr. Lambert (Edmonton West): The next item I shall deal with is 19947-1. I invite hon. members who know the English language to tell me what "macerated paper pads" are. What does "macerated" mean? I do not know. Whatever it means, macerated paper pads must be terribly important because they are "for use exclusively in the packaging of fresh fruit". They are to be admitted to Canada duty free.

The next item I refer to is 23800-1, rice hulls. I do not know about this. I suppose, since this is such a "hull" of a government, this item appeals to them. In any event, they are to be admitted free of duty. Next I come to something serious. The queries I put to the parliamentary secretary originally were serious. I am referring to the reduction from three-quarters of one cent per gallon to one-third of a cent per gallon. Why the government has to hang on to that one-third of one cent, I do not know. Does it want to help the petrochemical industry?

I see sitting across from me the Minister of Labour (Mr. Mackasey) who represents the constituency of Verdun. I am interested in that constituency because I have acquired a daughter-in-law who is in the minister's constituency.

Mr. Benjamin: A daughter-in-law won or lost?

Mr. Lambert (Edmonton West): Oh, I think it is a gain for our side. In any event, there are people in Verdun who are very interested in the petrochemical industry, and the minister knows that the petrochemical industry of this country has been dealt some very severe blows in the last 18 months. First, there was a grave difficulty that arose out of the lack of success of our country's negotiators with regard to the reduction in tariff under the Kennedy round affecting the petrochemical industry. This has been hitting them particularly stiffly. It may be said that they were persuaded to go along with this on the basis that there would be changes over five years, yet two years ago or even less the minister's administration decided that they were going to cancel the cuts under the Kennedy

Round, and that caused grave problems within the industry. Then about 18 months ago Canada decided to float its dollar. This immediately caused an 8 per cent increase in the export price of petrochemicals and chemical derivatives from Canada. These commodities are sold in highly competitive world markets.

I see the Minister of Labour before me. Behind him sits the Minister of Manpower and Immigration (Mr. Lang) and the Minister of State responsible for information in Toronto.

Mr. Stanbury: He is not here.

Mr. Lambert (Edmonton West): My city of Edmonton is much concerned about the petrochemical industry; and may I say here that the Liberal member for one constituency in Edmonton in which is situated about 90 per cent of the petrochemical industry of the area has failed to appear in this House since September 6. This is the degree of interest the hon. member shows in the Parliament of Canada and representations made on behalf of his constituents.

• (9:30 p.m.)

Mr. Stanbury: He is looking after his constituents.

Mr. Lambert (Edmonton West): He is, like blazes, looking after his constituents. All I say is that this is a measure—

An hon. Member: How do you know he hasn't been sick?

Mr. Lambert (Edmonton West): Sick? He is sick in his mind if, as a member of this House, he does not appear here. He looks after his personal business. He says that he refunds part of his salary. He was never elected a Member of Parliament to refund his salary to the treasury in whatever measure he does.

Mr. Mackasey: Be charitable. After all, it is the Christmas season.

Mr. Lambert (Edmonton West): I feel as charitable this evening as this bill does in so far as the petrochemical industry is concerned. It gives minute quantities, less than crumbs, to an industry that has had to lay off hundreds of highly skilled people. At least 80 per cent of this industry's production goes to the export markets. The government has draped this industry over a sawhorse and has proceeded to belabour, knock and expose it to the forces and the whims of world markets and world conditions as a sacrificial lamb.

I appeal to the Minister of Manpower and Immigration. One of the particular skills which we developed in our western universities was gained by people who today are walking the streets. The minister can shrug his shoulders. Many of my contemporaries at universities of western Canada, including my own University of Alberta, in Edmonton, and many younger than I went into the petrochemical industry as chemical engineers. Others, as we expected, obtained lucrative jobs. Today they are seeking employment. Why? Because this government, in a terribly misguided policy with regard to that industry, which was one of the aces we had up our sleeve, one of the bright hopes for Canada to compete in the world market, cut if off not only at the ankles but at the knees. They have now given it the knife at the throat.

This is the answer, a paltry cutback of petrochemical feedstocks that are imported into this country. As far as the Alberta petrochemical industry is concerned, this is meaningless because we do not import any feedstock. It is domestically produced. For the petrochemical feedstock producers in this country, this does not mean a thing. I would like the Minister of Labour to speak to his colleagues—

Mr. Benjamin: Not tonight.

Mr. Lambert (Edmonton West): No, not here. I would like them to "get with it" on this tragic situation that faces the petrochemical industry in this country. It does not necessarily employ hundreds of thousands or twenties of thousands of people. However, this industry represents thousands of highly skilled people, including their sales organizations. This government's answer to the competitive situation facing this industry from world forces is to further create difficulties. All I can say is that items 26906-1 and 26910-1, particularly the latter which only goes for a limited period, are frankly of little assistance compared to the problems they are facing.

I now turn to item 41098. This item has its origin in spraying and dusting machines and attachments therefor. It moves over to pruning hooks, pruning shears and dehorning instruments. That is a long way from spraying and dusting machines. Now we are going to admit duty free, electric bird-scaring devices but not including recorders. They have to be bona fide. They do not include recorders or reproducers using magnetic tape as a recording medium.

Mr. Mackasey: We do not want any stuffed bird-scarers.

Mr. Lambert (Edmonton West): What is an electric bird-scaring device that does not use a tape? You may have some sort of a raucous artificial noise, but you cannot have a bird call or bird-scaring device on a tape.

Mr. Baldwin: Why bother with a device? Just get the Minister of Finance (Mr. Benson). He will scare away any bird.

Mr. Lambert (Edmonton West): I wonder how the Minister of National Revenue (Mr. Gray) will interpret this. Some of his colleagues in the cabinet might be substituted for some of these things. Remember this, they are to be used exclusively for scaring birds by producing sounds simulating their natural alarm cries. In this period of an election we can expect all sorts of sounds to come from cabinet ministers. They will not only scare birds; they will scare small children and maiden ladies. Of all things, electric bird-scaring devices are to be admitted duty free into this country.

Mr. Mackasey: You should all have one.

Mr. Benjamin: And this has to be done before Christmas.

Mr. Lambert (Edmonton West): Yes, this has to be done before Christmas. I ask the little clutter of three ministers opposite who in Hades made these representations.

Mr. Mackasey: The birdwatchers.

Mr. Lambert (Edmonton West): Under no circumstances would it have been the birdwatchers, because this would scare the birds.

Mr. Mackasey: Yes, away from the airports.

Mr. Mahoney: Mr. Speaker, since the hon. member has specifically asked, this particular item was requested by the Canadian Federation of Agriculture. I am sure they will be interested in his remarks.

Mr. Lambert (Edmonton West): That is fine. But the fact that the Canadian Federation of Agriculture requested it and the parliamentary secretary sententiously informed us of this particular point, I am wondering what on earth is its purpose. After all, if we wanted bird-scaring devices we would just trot out some of the cabinet ministers and parliamentary secretaries. They would even scare the crows from barbed wire fences.

• (9:40 p.m.)

There is one further item which affects the logging industry in British Columbia. The Machinery Advisory Board is now to be given power to advise the cabinet to remit duty on certain types of machinery used for the sawing of lumber and other operations in the logging industry. This is just to allow a little flexibility in particular cases. I would remind hon. members that at the time the Machinery Advisory Board was set up I drew attention to some of the difficulties which could arise through giving the board power to counsel the Minister of Industry, Trade and Commerce to cause an Order in Council to be passed exempting a particular type of machine from duty. This lends itself to a particular type of representation.

I have had experience in the administration of customs duties. I was very privileged to work under a minister who sought to repel every type of personal pressure. He always said this was an area in which the sausage-slicing machine would operate. It would operate first on one slice of the sausage, then on the next and then on the next. If a minister were to allow relaxation in one particular area he could not easily resist further pressures from friends of the government. The taxpayers of this country are extremely adept at smelling out friends of the government. These people appear regularly with their advocates.

Mr. Benjamin: Wait till we get our turn.

Mr. Lambert (Edmonton West): Yes, you will have your friends and you will act in the same way. That is why I find your stand on these occasions is even more than hypocritical. It is sanctimonious. I say it is even more than sanctimonious. In any event, I have not heard hon. members of that party from logging constituencies speak on this item. They know what will happen. This will provide some help. It will help an industry which has been hard hit by the government's tax bill. It is going to get crumbs in return.

Then, again, will the parliamentary secretary tell me how many more times we shall be faced with item 44043-1? This item appeared on the list when I was a freshman member of this House and in every budget since then, without fail, it has appeared as an extension. It has to do with certain types of aircraft which are prescribed by weight. The item does not include the engine. Mr. Speaker, no Minister of Finance, and I knew some very well, could ever give me a strict definition to cover this item or satisfactorily explain its appearance year after year.

If the government intends to help those producing small aircraft in this country, why do it on a year to year basis? Why not simply say it intends to protect producers of this type of aircraft, including or not including engines, depending on what the policy might be? This would apply to aircraft not exceeding a certain number of pounds, whatever the weight might be, and then they could leave us alone instead of asking us to approve this extension every blessed budget.

Then we come to item 44210-1:

Rotors, blade diaphragms, spindle discs, shafts and blades, wholly or in chief part of metal, of a class or kind not made in Canada, when imported for use by turbine manufacturers in the repair or remanufacture of gas or steam turbines and parts thereof entitled to entry under tariff item 42805-1.

We want an explanation of this item. The definition is a long one and there is no doubt a particular purpose in mind. Does this relate to a particular type of contract for aircraft repair? Does it relate to any defence sharing production agreement? I shall pass over the item which admits duty free the professional productions of artists when valued at not less than $75 each. Every genuine artist would be insulted if his productions were not valued at $75. Then there is reference to original paintings, serigraphs and photographic or photo-mechanical representations, and so on, and an extension of free entry to hand-made appliqués suitable only for use as wall hangings. Are these intended for the office of the Minister of Finance or for some other minister's office? They have to be produced by artists domiciled in Canada but residing temporarily abroad. What is the real reason for which we are asked to make this particular change?

There are two other items to which I should like to draw attention. In this modern day and age, in this modern culture, we shall now be able to import glass beads free of duty if they are hand-made articles. Does the "now generation" have to get special dispensation in order that the bead bands worn across their foreheads are brought in duty free?

The next item is 71115, which is pots or compressed pellets, but not of hash; these are made of peat.

• (9:50 p.m.)

Mr. Gilbert: Canadians, for the use of.

Mr. Lambert (Edmonton West): As a gardener I will benefit from those. These are for use exclusively in growing plants for transplanting purposes, or for protecting plants while growing. We shall have to pay 10 per cent duty on those. The last item I want to mention requires an interpretation. It is item 99208. I apologize to the House for making a little fun of the bill this evening, but this item under schedule C, to which reference is made in clause 3, relates to metallic trading checks in circular form—in other words, trading discs—"unless in any particular case or class of cases exempted from the provisions of this item by a regulation of the Governor in

Council". What on earth are we up to here? These metallic trading checks come under certain customs regulations and I suppose I could find them in the Customs Tariff.

Mr. Mackasey: I have one in my hand. It is round and metallic.

Mr. Lambert (Edmonton West): Incidentally, I see these round, metallic trading discs are prohibited goods; they cannot be imported. The Minister of Labour should put his away, if he has one, because they are prohibited. However, under this amendment the minister, as a member of Her Majesty's Privy Council, is asking us to deliberate on an Order in Council exempting them from this prohibition so they may be allowed in—perhaps in order to legitimize his possession of one. The Minister of Finance is now in the House and perhaps he would advise us why he is introducing this exception, and on the basis of the representations of whom? These metallic trading discs have been prohibited for some time, so why are they being allowed in now under an Order in Council?

My hon. friend from Halifax-East Hants, with his ability to write doggerel poetry, would have been in a far better position to give hon. members an entertaining dissertation this evening. I have gone through a list that I think frankly defies anybody's imagination. Outside of it being a sop to the petrochemical industry—and here the Minister of Finance has a good deal to answer for—and also offering some assistance of a questionable nature to the lumbering industry particularly of British Columbia, the rest of the bill simply adds bits and pieces of no consequence, yet we are being asked to pass it. We require an explanation, Mr. Speaker, either from the Minister of Finance or his parliamentary secretary.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I do not have too much time this evening and perhaps I can do little more than congratulate my hon. friend from Edmonton West (Mr. Lambert) for his most interesting examination of the bill. When I first looked at it I thought it was a serious matter, but I have been dissuaded from that view having listened to his remarks. I always suspected that beneath that stern exterior dwelt a western Pagliacci, and we saw a great demonstration of that tonight.

I also thought that perhaps the censor who looked over this bill was like the censor looking at questionable pictures and literature as he carefully rolled over some of the salacious portions of the bill. It seems to me there are some ridiculous aspects to the bill, but I also think there are some serious matters in it and if I may call it ten o'clock I should like to discuss them on another occasion.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: Mr. Speaker, may I ask the government House leader whether we will be pursuing this business tomorrow, and whether the Minister of Finance has any more budget bills to be dealt with tomorrow.

Mr. MacEachen: Mr. Speaker, we will continue this most interesting debate tomorrow. Following that we will consider the budget bill emanating from the October so-called budget statement. Following that we will consider Bill C-176.

PROCEEDINGS ON ADJOURNMENT MOTION

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

FISHERIES—SELKIRK FISH PLANT—INQUIRY AS TO POSSIBLE CLOSING

Mr. Doug Rowland (Selkirk): Mr. Speaker, on December 15 I asked the Minister of Fisheries (Mr. Davis) whether he could shed any light on the rumours that the Selkirk processing plant of the Freshwater Fish Marketing Corporation would be closed. He replied, as reported at page 10491 of *Hansard*, as follows:

> Mr. Speaker, the 70-year old fish plant at Selkirk does not meet our standards for inspection. It is being phased out. However, we are hoping to develop new supplies of fish and to have a plant operating at Selkirk in the not too distant future.

I do not mind admitting that I am having a considerable amount of difficulty maintaining any degree of good temper and reasonableness in pursuing this question this evening. The first problem I had to deal with after my election to this House in the spring of 1970 was the location of the Freshwater Fish Marketing Corporation's processing plant, whether it would remain in Selkirk or be located in a suburb of Winnipeg. During the months of May and June, 1970, the Minister of Fisheries and myself engaged in a number of exchanges on the subject in this House.

The question was, I then thought, finally resolved, in a manner not wholly unsatisfactory to myself and the people of the Interlake region but nevertheless in a way we could live with, when the minister on June 25, 1971, made the following statements during his reply to representations that I had made in an adjournment debate. The minister said at that time:

> • (10:00 p.m.)
>
> My own forecast now is that we will have at least two big processing plants in Manitoba. In other words, we will have one at Transcona and continue to have one at Selkirk.

Then he said:

> We believe the plant now operating at Selkirk will be operating at or near capacity for a number of years to come.

Later he said:

> My own forecast is that there will be two plants, an old one and a new one. The old one at Selkirk needs to be rehabilitated and this will take place beginning next year. I also expect employment in Selkirk will probably increase and not decrease in so far as fish processing is concerned.

Imagine, after having heard that kind of statement from the minister on the subject, my reaction, the reaction of the employees of the Freshwater Fish Processing Plant and the reaction of the people of the Interlake when it was announced by the FFMC last week that the Selkirk plant would cease to process fish within the month and close its doors entirely in five months, taking away from Selkirk in

the neighbourhood of 150 jobs. It was a reaction of shocked disbelief, succeeded by rage. After the assurances the minister had given us we felt, and justifiably in my opinion, that we had been betrayed.

Just a little more than a year after the minister had assured us that there would be two plants in Manitoba, one in Transcona and one in Selkirk, that the Selkirk plant would be refurbished and that employment in fish processing in Selkirk was more likely to increase than to decrease, it was announced that the plant would be closed. What circumstances have changed in the interim to make the FFMC and the minister change their minds? Local production of fish has not declined. Rather, it has gone up because when the minister made his statement, Lake Winnipeg was completely closed to fishing because of mercury pollution whereas now it is again being fished on a controlled basis. Moreover, at the time the minister made his statement, stocks of fish in Lake Winnipeg had been depleted due to overfishing, whereas now the stocks have had two years to begin a recovery.

When the minister made his statement in June, 1970, the prospect of a lucrative rough fish fishery was just a gleam in his eye, whereas only recently in this House he assured me, when replying to some remarks I had made about the need for an income support program for fishermen, that the investigations of his department into a rough fish fishery were progressing extremely well and held out the prospect of substantial employment in the future.

After looking at these facts one is hard-pressed not to believe that the minister's statement of June, 1970, was not simply designed to slap the lid on some extremely effective pressure being applied by residents of Selkirk and the Interlake. I am not about to suggest that the minister was a knowing party to deception, but I do know that if I was the minister and someone had given me information with which to reply to a parliamentary inquiry, and the reply I gave was afterwards demonstrated to be false, today I would be engaged in some head-hunting.

With that as background I wish to ask three very simple and direct questions to which the employees of the Selkirk processing plant, the citizens of Selkirk and the residents of Manitoba's Interlake are demanding answers. I hope the parliamentary secretary who will reply on behalf of the minister this evening will have the answers ready because they are obvious questions to ask. First, is it the intention of the minister to make the FFMC live up to the undertaking which he gave to me and to this House on June 25, 1970? Second, if he is not prepared to do that, why is he not prepared to do it? Third, if the best the people of Selkirk can now hope for is the new plant alluded to by the minister in his answer to my question on December 15, when will the construction of that plant begin, what will be its function, what will it cost and how many people will it employ?

[*Translation*]

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Environment): Mr. Speaker, the Minister of Fisheries has repeatedly stated his position regarding the Selkirk plant. He has, in the past, indicated to the House that his forecast was that the Selkirk plant could remain in operation after completion of the Transcona plant. However, the minister has never made a commitment to the effect that the Selkirk plant would never be closed down.

The operation of a fish processing plant in Selkirk remains possible. It hinges mainly on the development of a coarse fish industry, that is certain species which up to now had not been considered as being marketable.

During the summer of 1971, the federal fisheries service spent $413,000 on a research program directed toward improving the harvesting techniques used for coarse fish and, in the long run, the management of the production potential of Manitoba waters. This program, I might add, has employed 127 fishermen who would otherwise have remained idle. According to the data obtained, the potential of coarse fish seems promising. There remains a good number of problems to overcome particularly in relation to marketing. Research related to harvesting and processing will continue and the marketing aspect will be looked at with care. If all goes well a new plant in Selkirk could become economically feasible.

For now the Selkirk plant must close. With new inspection standards imposed on our American clients by their government, rehabilitation is not economically possible. We must accept that, after some 70 years of existence, that plant has become a victim of obsolescence. The new plant is Transcona takes over. Because the two plants are a mere 30 minutes away from each other by car, all employees of Selkirk have been offered jobs in Transcona. A good number of them have accepted this offer. They have received adequate training in the use of new techniques implemented in Transcona. The training program was carried out at no loss of income for the employees.

In short, Mr. Speaker, the government to date has improved fish processing, worked to put on a sounder base the management of Manitoba's fish resources, researched the possibility of creating a new industry with coarse fish, and protected the jobs of the Selkirk employees as much as possible. The establishment of a new plant in Selkirk will depend on the results of studies relating to the coarse fish industry. These studies are already under way and partly completed.

[*English*]

YOUTH—OPPORTUNITIES FOR YOUTH PROGRAM—WRITING OF EVALUATION REPORT BY PRIVATE CONSULTING FIRM—SELECTION OF PROJECT FOR ANALYSIS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on December 9 I asked the Secretary of State (Mr. Pelletier) two questions regarding the evaluation report relating to the Opportunities for Youth program. The first question was:

> In view of the fact that the evaluation report on the Opportunities for Youth program recently tabled in the House was carried out by a departmental task force, would the minister inform the House why the report itself was written by a private consulting firm?

Then I asked the minister the following supplementary question:

> Would the Secretary of State inform the House how the sample of 356 projects analysed in the report was selected by his departmental task force?

I considered the reply that I received at that time from the minister to be inadequate partly because the report itself was long overdue. If you go through *Hansard* you will find the minister promised that the report would be ready by the beginning or the middle of October. On September 9, for example, he said in answer to a question in the House that in all likelihood the report would be ready at the beginning or the middle of October. On September 30, in answer to a question that I put to him, he said:

I estimated the assessment report on the project would be ready by mid-October, and I do not think there will be any considerable delay.

On November 22, when the report still had not been received, he said in answer to a question:

As for the report, I apologize to the House for the delay in tabling it, but this is a matter of data processing and the task force responsible for producing the report is working very hard at this ... sand was hoping to be able to table this report as soon as possible.

We have had the report since the first part of December and in it we find that the conclusion is a glowing analysis of what happened to the Opportunities for Youth program and that things had gone very well indeed. Another reason I am not satisfied with the answer given by the minister, besides the fact that the report was long overdue, is that I question the validity of the report itself due to the fact that the analysis and evaluation are based on only a sample of all the projects in the country. And the minister said he did not know what kind of sample it was. We do not find anywhere in the report an indication of what sort of sample the evaluation is based upon. We have to know this if we are to know what type of credence to give to this evaluation of the Opportunities for Youth program.

• (10:10 p.m.)

We know that some months ago the department established a task force to evaluate Opportunities for Youth projects across the country, and after a period of several months of work it was decided that its report should be written by an outside consultant group called Systems Research Group Inc. They wrote the report on the basis of the data gathered by the task force established by the Department of the Secretary of State.

I want to know why the government decided to hire this firm after all the research had been done by the department itself. Was it because the task force members could not agree on the conclusions they were receiving from their research? Was this the reason that they called in an outside consultant firm to write the evaluation report itself? I think the long delay in presenting the report to the House lends credence to this possibility, because the report itself could have been written in two or three days once all the data had been gathered. It is only about 25 pages long. I think that an outside group writing a report for a government department should also do all the research and data processing. These are some of the reasons some of us are concerned that an outside group was called in to write the report.

Second, Mr. Speaker, I want to know how the sample of projects was chosen. Nowhere in the report does it say how the 300-odd projects were chosen, whether they constituted a representative sample, a random sample or what have you. The last sentence in the report reads:

In terms of the programs explicit objectives and within its budgetary constraints, OFY appears to have been very successful in the light of information now available.

What do they mean by "in the light of the information now available"? What information? This is what we must know if we are to judge this report on its merits. I think that any firm which had regard for its reputation would include a phrase like "on the basis of the information now available." I ask again, what kind of sample was it? Was it a representative sample, or was it not? You could make a report sound any way you wanted it to, if you carefully selected 300-odd projects out of the entire summer's program. Next year's program, it is hoped, will be announced by January 15, and before the end of this month we are to have a more thorough evaluation report on last year's program.

Many of the ideas in the Opportunities for Youth program are exciting. I hope that before next year's program is introduced we can clear up a few of the questions that I have tried to raise tonight, so that we will have a clear evaluation of last year's program. What type of sample formed the basis of the evaluation? Why was an outside firm brought in to write the report after the data had been gathered by a task force working within the department?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I will make my answer very brief. The hon. member has put two questions before the House. In both instances he requested that they be given special consideration during the adjournment debate. The one he has dealt with this evening concerns the reason why an outside group of consultants was chosen to compile the results of the evaluation study of the Opportunities for Youth program, and he also inquired about how the sample was chosen.

His other question, while on the same subject, was directed to the President of the Privy Council (Mr. MacEachen) and had to do with whether or not a special committee or a standing committee on youth and youth problems would be established and, if such a committee would not be established, whether the question of youth and youth employment would be referred to one of the standing committees.

Both questions touch on the general matter of the problems of youth, the special problems of the young people of this country and what the government is doing about them. These bear directly on the functions of the Secretary of State (Mr. Pelletier), who is responsible for the Opportunities for Youth program. The questions the hon. member has asked are legitimate ones, but at the same time, bearing in mind the length of time and the terms of reference of last year's program, we all know now that some of the difficulties we experienced last year in the Opportunities for Youth program arose as a result of the rather foreshortened time period in which the program was put together.

The hon. member has made reference to the fact that the program for next summer is being prepared now. We think this is an improvement as it will give us an opportunity to get ready in plenty of time, and will also give members of this chamber a full opportunity to ask their

questions now rather than being caught as we were last year with the program being rushed into effect before members of the opposition had an opportunity to examine it.

I want to assure the hon. member and others here that through the regular parliamentary devices in committee, the estimates of the Secretary of State as they go to the standing committee when we return after the Christmas break in the ordinary course, in regard to any legislation that would have to be tabled and any other opportunities that hon. members have to put questions to the Secretary of State through oral questions, written questions on the order paper or perhaps through the use of allotted days if the opposition sees fit, we hope hon. members will be reassured.

There will be many opportunities to question the Secretary of State about all these things and the plans that are going to be put into effect for next year's program so we can be sure to have a clearer understanding of it in view of our experience last year. The use of an outside group was hardly necessary and perhaps next year when the evaluation is done, and now that we have gained the experience, we will not need such a group. I conclude by saying that I hope the hon. member will take advantage of all these opportunities to ask questions about this matter as we develop next year's program.

Motion agreed to and the House adjourned at 10.21 p.m.

HOUSE OF COMMONS

Wednesday, December 22, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

BILINGUALISM AND BICULTURALISM

STATEMENT BY PRIME MINISTER ON COMMISSION REPORTS CONCERNING NATIONAL CAPITAL AND VOLUNTARY ASSOCIATIONS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wish to table a document which sets out the government's position regarding Book V of the Royal Commission on Bilingualism and Biculturalism. I should also like to say something about Book V, relating to the national capital, and Book VI, relating to voluntary associations.

All Canadians I am sure agree that the nation's capital should reflect in so far as possible the spirit and aspirations of our country.

The report of the Royal Commission on Bilingualism and Biculturalism deals with this question as far as language is concerned.

I am pleased that many of the bodies referred to by the royal commission have already been making plans or taken action with regard to language and cultural aspects of the national capital. The city of Ottawa announced its program with regard to bilingualism some months ago; more recently the province of Ontario has announced a plan regarding service to its public in Canada's two official languages; representatives of voluntary organizations, business and educational bodies and private citizens joined forces recently to form the Alliance for the Development of Bilingualism in the Canadian Capital Region for the purpose of co-ordinating activities and exchanging information.

[*Translation*]

The report which has been tabled sets out more fully the government's position with regard to those of the 17 recommendations addressed to the federal government. Briefly, the government accepts the first recommendation regarding the equality of the two official languages for federal purposes. This has already been formalized in legislation, the Official Languages Act. The government also intends to continue to pursue the direct and positive role which it has been pursuing in the Capital Region, which is the second of the Royal Commission's recommendations.

Recommendations 3 through 6 and Recommendation 14 relate to various services being provided in both languages. The government accepts these recommendations, with the reservation that Recommendation 4 concerning commissionaires, elevator operators, and other personnel dealing with the public should be implemented progressively so as to avoid hardship for unilingual employees.

Recommendations 7 through 13 are addressed to Ontario and Quebec separately or jointly or to local governments in the Capital area.

The recommendations relate to public services in the two languages, the courts and new proposed jurisdictions for various school boards. Obviously these matters fall within the jurisdiction of the provinces or the municipalities concerned. Insofar as provincial and municipal services are concerned, the co-operation of the federal government has been sought and given in certain instances in the past. The government will examine most sympathetically further possibilities of helping in other appropriate ways, if provincial or municipal authorities concerned judge this to be useful.

Recommendation 15 deals with the integration of transport and communications within the Capital area. This question is already the subject of planning between the NCC and various local authorities; the same can be said of Recommendation 16 regarding government buildings to be constructed or rented in the Capital area on both sides of the Ottawa River.

Recommendation 17 proposes the establishment of a specific advisory tripartite agency to be charged with the responsibility for co-ordination of the overall programme for the Capital area, and which it is suggested, with the passage of time, might acquire new functions and stature.

The government considers that, in addition to its role in urban planning, the National Capital Commission is the logical body to co-ordinate, at the federal level, activities to extend bilingual capabilities and services in the National Capital Region. The role of the National Capital Commission will not alter the existing allocation of responsibilities within the federal administration for achieving goals with regard to official languages and cultural development. It will, however, add a new and desirable dimension by giving other levels of government within the National Capital Region a single channel through which to seek assistance and benefit from expertise in the federal sector.

One of the complicating factors in dealing with the National Capital is the multiplicity of jurisdictions involved. In addition to the federal and two provincial governments, local and regional governments, school boards, and other authorities are in themselves very numerous. Two conclusions are inescapable. No single government or authority can by itself build a truly national capital: success depends upon the will of many governments and especially of the people they represent to give themselves to the task of creating a capital worthy of the nation. Secondly, a continuing dialogue must be maintained to assure that energies are channeled in a common direction; that in seeking the goal we are pulling together,

not apart. This is the ultimate object of the government's policy outlined above.

• (2:10 p.m.)

[*English*]

I should now like to turn briefly to the last volume of the royal commission, Book VI relating to voluntary associations. Here the commission, while analysing in depth the many facets of associational life in Canada, makes no formal recommendations. One theme, which runs strongly throughout the whole of the report, is the importance of maintaining good communications between francophone and anglophone branches of Canadian associations and between the general membership of the two major language groups. The commissioners suggested that simultaneous interpretation at annual conferences or conventions would be a useful way to assure more effective communication. I am glad to say, Mr. Speaker, that the government has been operating a modest program of assistance in this area since the beginning of the current fiscal year. We have ascertained that there is, indeed, an active interest among associations with respect to this program. The government is giving continuing consideration to Volume VI of the royal commission report and looking carefully at their observations regarding the trend of developments in this important aspect of Canadian life. Should further programs of co-operation between associations and the government be developed in the area of language, Mr. Speaker, these will be announced.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I fully agree that, as the national capital, the Ottawa region should reflect the reality of Canada. For that reason the recommendations of Volume VI of the B and B report must certainly be treated with respect. I am also pleased to see the encouragement that the government is giving to voluntary associations in this area.

I am not going to deal in detail with the government's response to the recommendations concerning the national capital region as provided in the document the Prime Minister just tabled. He was courteous enough to send me a copy of it this morning. In many respects it represents simply a declaration of the obvious. It quite properly notes that several of the recommendations are addressed to other jurisdictions where the only thing the federal government can offer is help and encouragement. The federal government cannot direct in those areas and that, of course, is how it should be under our system of government.

The National Capital Commission of course has a valuable, indeed an essential, role to play in the national capital area. I think one should note in passing that its existence involves some diminution of funds available to the municipal units in the area and that this diminution perhaps impedes those municipal units from making progress as rapidly as they would like to.

I fully agree that co-operation is necessary at all levels of government, although I must say that I hope the episode relating to what I believe is now called the Portage bridge is not an example of the kind of co-operation the federal government intends to display in future in this area.

[Mr. Trudeau.]

As to the recommendation of the Commission on the necessity of promoting in every respect the equality between Anglophones and Francophones in the national capital, we agree with the attitude of the government which proposes to increase its role in that field. However, we stress the importance of constant and close consultations in this regard between the federal government, on the one hand, and the Quebec and Ontario governments on the other, to ensure that neither of those two governments ever feels that its rights are being encroached upon by the decisions concerning the national capital.

Our common goal must be to ensure that the capital region is a reflection of the Canadian reality. That means, of course, recognition of the English and French facts. However, it also involves a recognition of the cultural diversity of our country that goes beyond English and French. There is no recommendation in this volume of the bilingualism and biculturalism report on this subject, but we should not discuss the issue of national unity without re-emphasizing the importance of Canadian pluralism.

We should also not forget that in terms of government action we are discussing bilingualism in an institutional rather than in a personal sense. In Ottawa, as in Canada as a whole, there must be recognition of the fact that the majority of Canadians, whether they are English-speaking or French-speaking, are not bilingual. There must be acceptance of the fact of unilingualism as well, and that applies equally to French-speaking and English-speaking Canadians. The worst way to encourage bilingualism would be to try to enforce it too rigidly. There are areas where individual bilingualism is, in principle, essential. There can be do doubt about that. However, we cannot expect to correct everything overnight. There must be no injustices to older people who grew up in a different era. That, too, would be doing a disservice to the bilingualism it is desired to develop.

What we are working for, and what the commission I am sure was working for in preparing this report, is a country, and in this specific instance a capital region, where the individual Canadian can live in dignity and know that his language and origin will be respected, that he will be respected as an individual. If we remember that and apply it, we shall certainly be helping the cause of national unity.

[*Translation*]

Mr. Doug Rowland (Selkirk): Mr. Speaker, this is the first opportunity that I have to speak in French in the House. I know that I am not really ready to do so, but I feel that it is a fitting occasion and I will make a try.

We of the New Democratic Party are quite satisfied with the policy of the government which is endeavouring to implement the recommendations appearing in volume V of the Royal Commission on Bilingualism and Biculturalism.

We sincerely hope that this policy will alter our national capital, so that it may become truly representative of the bilingual and multicultural facets of our country.

We think that it is exceedingly important that this action be immediately undertaken in order to consolidate the

already established bases so that our capital will be truly national.

It is very important that all Canadians, including French-speaking Canadians, feel they are really welcome in the capital.

French-speaking Canadians have had long-standing grievances about the Anglophone character of Ottawa.

We therefore believe it is urgent for the government to make already announced arrangements so that Ottawa can become the capital of all Canadians regardless of their racial origin, language and status.

In short, we claim for each and everyone the inalienable rights that are theirs.

[*English*]

For too long, Mr. Speaker, too many Canadians have felt themselves to be strangers in their own capital. For too long, for too many Canadians visiting their national capital was almost like visiting a foreign land. The situation was, and is, iniquitous and one of the factors generating tension within the nation. In accepting and implementing recommendations one and two in Book V of the Royal Commission on Bilingualism and Biculturalism which deal with the equality of the French and English languages in the federal context and the provision of services in French and English, the government will be going a long way toward removing an ancient and completely justified grievance. I am pleased to see that in his remarks, the Prime Minister (Mr. Trudeau) recognized that in attempting to do this we also recognize that a great many people in this capital are not bilingual and that provision must be made for that fact.

We also welcome the suggestion that the federal government, in accordance with the recommendations of the royal commission, will be attempting to foster a greater integration of essential services, such as transportation, on both sides of the Ottawa river, and that there are now also enhanced prospects of a more equitable distribution of new government construction on either side of the river.

For a long time I have been of the opinion that the boundaries of what is to constitute the capital of Canada should be extended beyond the city limits of Ottawa to coincide more directly with the boundaries of the national capital region as established in the National Capital Act of 1959. Such a capital would more closely reflect the make-up of this nation in terms of language, culture and of social organization, since it would include both urban and rural districts, than does our present capital. I am pleased to see that in accepting the recommendations of the royal commission the government is moving some distance in this direction.

The recommendations envisage the establishment of a tripartite committee of the three senior governments in the capital region, the federal government, the government of Ontario and the government of Quebec. Again, this is most welcome. It should mean more co-ordination of effort, less waste and greater equality of condition.

• (2:20 p.m.)

But here I should like to enter two caveats. First, I believe that the municipalities concerned must be represented on the committee in some formal way if many potential difficulties are to be anticipated and misunderstanding is to be avoided. Second, the three senior governments would seem to have equal authority. Given the current political situation in the country, I can see no way around that particular approach, but it worries me because the capital is, after all, the capital of the whole nation and there might be a tendency for the provincial governments to be too strongly influenced by purely local concerns with the result that the national interest might sometimes be lost. As I say, I can offer no concrete suggestions to overcome this potential flaw but I raise the point in the hope that some attention will be devoted to it and some effort made to avoid the pitfalls.

As to the recommendation that federal government policy on the national capital be co-ordinated insofar as possible by one body at the federal level and that the National Capital Commission is the logical body to undertake that task, we in this party are in wholehearted agreement.

Finally, with respect to the Prime Minister's remarks concerning volume six, which deals with voluntary associations, we welcome the undertaking that the government will be giving the report continuing and careful consideration. I hope that in so doing the government will, in considering the French-English aspects of the question, consider seriously as well the value of voluntary associations in developing and defining the multicultural nature of our Canadian society and frame its eventual policies accordingly.

The national capital should be the jewel in the crown of our nation. In order to be so it must reflect the true character of our nation.

Mr. Speaker: Order, please! I have to interrupt the hon. member and I hope he will not mind my doing so. I know that these questions which are brought to the attention of the House from day to day by way of ministerial statements are important, but the rule is there that the comments of hon. members acting as spokesmen for their respective parties should be brief. I have listened to the hon. member with great interest. The statement he is making is of significance. Nevertheless, an effort should be made by hon. members to limit, to some extent at least, the contributions they make during this part of our proceedings.

Mr. Rowland: You anticipated me by about five seconds, Mr. Speaker. I simply wanted to say on behalf of my party that we welcome this additional evidence of further efforts to make the capital more truly reflect the nature of our country.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, everybody sincerely hopes for a national capital which would really reflect the existence of the various Canadian ethnical groups. However, this ideal capital which we all want requires understanding and co-operation from those living around it.

When we hear people complaining that the capital of Ottawa is not giving them their due, we must ask ourselves if they are ready to make the necessary sacrifices to benefit from it. They are ready to avail themselves of its

advantages but are seldom willing to meet their obligations.

The statement of the right hon. Prime Minister (Mr. Trudeau) is quite in order. Regarding bilinguism, we learned through the Commission's reports that French is spoken in Quebec and English in the other provinces. Everyone has known that for a long time.

The Commission's recommendations are far from being clear. Referring to Volume VI, the Prime Minister said and I quote:

[*English*]

Here the Commission, while analysing in depth the many facets of associational life in Canada, makes no formal recommendations.

[*Translation*]

Mr. Speaker, I believe we have the wrong approach to this problem if, for instance, we compel people of 40, 45 and even 50 years of age to learn a second language. To my mind this is abusing the good will of people. The Commission should recommend—and the government should follow suit—that a federal-provincial conference on education be held in order to look into the possibility of teaching the two languages right from the first school year across Canada.

If we took such action, in less than 10 years our country, including its capital, would become bilingual.

We should not attempt the impossible by forcing 40- or 50-year-old citizens to learn French or English. The right hon. Prime Minister did not wait until he was 52 to learn English; that is why he speaks it so well now, because he learned it in his youth, and he knows that. However, the Leader of the Official Opposition has trouble learning French because he started too late. That is a striking example, Mr. Speaker.

If the government suggested that the provinces—since education comes under provincial jurisdiction—finance their departments of education in order to have French and English taught in every school in Canada from the first year, we would not have to say this today: We want a bilingual capital, we want bilingualism, we want goodwill between English-speaking and French-speaking citizens. The whole country would be naturally bilingual, as a result of education.

That is the solution to the problem and that is my recommendation following the right hon. Prime Minister's statement.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

PROCEDURES IN ACCEPTING APPLICATIONS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask for the unanimous consent of the House to move a motion under Standing Order 43. I do so because of recent newspaper articles concerning the bankruptcies of several firms sponsored by the Department of Regional Economic Expansion and a letter of reply by the Minister of Regional Economic Expansion admitting that his department has paid more than $500,000 in job-creating subsidies to firms which subsequently closed down and another $1,400,000 paid or pledged to companies that have since made substantial lay-offs. In view of the minister's admission in this respect, I would move, with unanimous consent:

• (2:30 p.m.)

That the Standing Committee on Public Accounts be instructed to review DREE procedures and guidelines in accepting applications under the Regional Development Incentives Act.

Mr. Speaker: Hon. members have heard the proposed motion. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

FEDERAL ASSISTANCE TO INDUSTRIES FOR MODERNIZATION OR DEVELOPMENT

Question No. 830—**Mr. Valade:**

Since 1966, how much money did the federal government allocate to industries in (a) Ontario (b) Quebec for modernization or development?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Industry, Trade and Commerce is concerned: ($000s) (a) $101,539; (b) $107,608. These figures include the Defence Industry Productivity Program (DIP), the Program for the Advancement of Industrial Technology (PAIT), the Industrial Design Assistance Program (IDAP) and the General Adjustment Assistance Program (GAAP).

In so far as the Department of Regional Economic Expansion is concerned: Grants paid to industries for modernization and expansion, since 1966: (a) $4,014,959; (b) $17,077,691.

FISP OPERATION

Question No. 1,714—**Mr. Alexander:**

1. What is the anticipated administrative cost regarding the Family Income and Security Plan during its first year of operation?

2. How many people (a) are involved in the processing of Family and Youth Allowance cheques (b) will be involved during the first year of the Family Income Security Plan's operation?

3. What is the breakdown of children of the ages one to seventeen years inclusive for the year 1970?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Treasury Board): I am informed by the Department of National Health and Welfare and Statistics Canada as follows: 1. It is anticipated that the administrative costs for one fiscal year after the program has been established

would be approximately $13.5 million or about 1.7 per cent of the $800 million being paid out in FISP benefits.

2. (a) 730; (b) it is anticipated that when the Family Income Security Plan has been fully implemented the number will be about 1,477.

3. The attached table provides a breakdown of the number of children of the ages one to seventeen inclusive as of June 1, 1970.

Estimated breakdown of children of ages one to seventeen years, Canada, as of June 1, 1970

Age	Population	
1	361,000	
2	362,600	
3	377,400	
4	402,700	
5	441,800	
6	456,800	
7	467,400	
8	464,100	
9	471,300	
10	470,800	
11	467,500	
12	461,600	
13	453,600	
14	443,600	
15	431,400	
16	420,500	
17	412,200	
Total 1 to 17 inclusive		7,366,300

POLLUTION CONTROL—ELK RIVER, B.C.

Question No. 1,783—**Mr. Rose:**

1. Does the government have a monitoring program for pollution control on the Elk River in British Columbia and, if so, how long has the program been in effect?

2. Will the government make public the nature and degree of the Elk River pollution as well as the source of effluent?

3. Are steps being taken to control pollution on the Elk River to improve the quality of the water?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): 1. No.

2. N/A

3. Yes. The British Columbia Department of Recreation and Conservation, in their capacity as administrators of the Fisheries Act on behalf of the Federal Government, is conducting an environmental protection investigation in the Elk River region at the present time.

WORK FORCE—PERCENTAGE OF WOMEN WORKERS

Question No. 1,910—**Mr. Mather:**

1. What percentage of the work force are women?

2. What percentage of women workers are (a) single (b) married (c) divorced?

3. What percentage of the voters are women?

4. What percentage of policy-making federal government jobs are held by women?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by Statistics Canada, the Chief Electoral Officer and the Treasury Board Secretariat as follows: 1. The labour force survey for September, 1971 showed that 33 per cent of the labour force were women.

2. In September, 1971, the labour force survey showed that among women employees: 32 per cent were single, 59 per cent were married, and 9 per cent had other marital statuses (divorced, widowed, legally separated).

3. No information available.

4. It is not possible to characterize jobs in the federal Public Service as policy-making or not policy-making. However, if the portion of the Public Service in which some contribution is made to policy development is taken as being the employees in the Executive Category, the Scientific and Professional Category, and the Administrative and Foreign Service Category, the percentage of women in this portion of the Public Service is 14.2 per cent.

TRANS-CANADA HIGHWAY—ROAD SIGNS

Question No. 1,946—**Mr. Robinson:**

In view of the bilingual program in Canada, will the government consider the advisability of making all road signs on the Trans-Canada Highway and other federal roads bilingual?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Transport, the National Capital Commission and the Department of Public Works, as follows: At the present time the Federal Government is pursuing a policy of making all road signs on Federal roads bilingual. This policy is being acted on as quickly as practical. The road signs on the Trans-Canada Highway are the responsibility of the province through which the highway passes. All the provinces use the "Manual for Uniform Traffic Control Devices for Canada" as a guide and this manual supports the principles of symbolized and bilingual signs.

All road signs on NCC controlled parkways and driveways in the National Capital Region are bilingual. These signs are updated as required, as for instance when standard symbols replace written signs. As far as highway facilities under the Department of Public Works' jurisdiction are concerned, signing is generally in accordance with the provincial standards in which the facility is located.

TAKE-HOME INFORMATION ON NEW AUTOMOBILES

Question No. 1,964—**Mr. Mather:**

Is consideration being given to making the provision of take-home information on new automobiles available to the consumer without charge?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): No.

NUMBER OF MURDERS

Question No. 1,972—**Mr. Woolliams:**

1. How many murders were reported in Canada for the years 1968, 1969, 1970 and 1971 to date?

2. How many homicides have been reported in Canada of police officers in 1968, 1969, 1970 and 1971 to date?

Questions

3. Has there been an increase in the crime of murder since 1968, having taken into account the increase in population and what is the percentage of this increase?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the answer to starred question No. 1,972, like No. 2,042, is lengthy and would require an undue amount of time to read. Therefore I ask that the replies to these questions be tabled and recorded in *Hansard* as if they had been read.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

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

Statistics Canada reports that: 1. The number of murders in Canada reported by the police to Statistics Canada for the years 1968 to 1970 follow: 1968, 314; 1969, 342; 1970, 430,; figures for 1971 are not available.

/one incident involves one suspect and forty victims.

2. The number of murders of policemen reported in Canada for the years 1968 to 1970 follow: 1968, 5; 1969, 5; 1970, 3; 1971, not available.

3. The following figures show the percentage increase from one year to the next in the crime of murder, taking into account the increase in the population: From 1968 to 1969, 6.5 per cent; From 1969 to 1970, 23.0 per cent ;

In 1970 one incident involves one suspect and forty victims.

SUBMISSION BY THE TOWN OF TRACADIE TO MINISTER OF REGIONAL ECONOMIC EXPANSION

Question No. 2,013—**Mr. Coates:**

1. Was a submission presented to the Minister of Regional Economic Expansion by the Town of Tracadie, New Brunsiwck and, if so (a) on what date was such a submission made (b) what were the names of the persons who met with the Minister (c) what was the result of this meeting?

2. Is the subject of the submission presented by the Town of Tracadie under consideration by the government at the present time and, if so, on what date will a decision be rendered on the recommendations contained in the submission?

Hon. Jean Marchand (Minister of Regional Economic Expansion): 1. Yes. (a) September 16, 1971. (b) Mayor Losier; Deputy Mayor Ferguson; Councillors: Laplante, Losier, Robichaud and Saulnier; H. Breau, M.P. (c) It was suggested to the members of the delegation that they might wish to make their submission to the government of the Province of New Brunswick which could then, if it wished, after an assessment of its priorities, pursue the subject under the federal-provincial FRED agreement for Northeast New Brunswick.

2. See answer to 1 (c).

ABORTIONS

Question No. 2,029—**Mr. Robinson:**

1. How many legal abortions have been performed in Canada during each of the past ten years?

2. How many illegal abortions have been performed in Canada during each of the past ten years?

[Mr. Woolliams.]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as Statistics Canada is concerned: 1. Statistics Canada only began compiling information on abortions when the amendment to the Criminal Law Amendment Act 1969 regarding abortions came into force on August 26, 1969. Data prior to this and information for the Northwest Territories are not available. The following table provides the available data.

Period	Reported Number of Therapeutic Abortions in Canada
August 26/69—Dec. 31/69	542
Jan. 1/70—Dec. 31/70	11,200
Jan. 1/71—June 30/71	14,188

2. This information is not available.

HIGHWAY-RAILWAY GRADE CROSSINGS

Question No. 2,033—**Mr. Mather:**

1. How many deaths in Canada in 1969 and 1970 were attributable to unsafe rail-highway grade crossings?

2. How many crossings exist where train and traffic volume justify improvements?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. In 1969 there were 399 accidents attributable to a number of causes at highway-railway grade crossings which resulted in death to 120 persons and injuries to 519 persons. The figures for 1970 were 384, 103 and 516, respectively.

2. The commission does not maintain a record of which of the over 31,000 highway-railway grade crossings carry train and vehicular traffic sufficient to justify improvements. Rail and highway traffic volume is a consideration which is established subsequent to formal application for crossing improvement, protection or elimination made to the commission by the responsible road authority.

CAPE BRETON DEVELOPMENT CORPORATION

Question No. 2,035—**Mr. MacInnis:**

1. What are the names, ages and salaries or stipends of all officers and Board members of the Cape Breton Development Corporation?

2. What was the total expense account of Mr. Robinson Ord for the years 1968-69, 1969-70 and 1970-71?

3. What was the total amount of Mr. Gerald Blackmore's expenses for the years 1968-69, 1969-70 and 1970-71?

4. How many trips outside of Cape Breton did Mr. Blackmore make on Cape Breton Development Corporation business and to where?

5. Have any fees or remuneration of any kind ever been paid by DEVCO to any officer now in the employ of the Cape Breton Development Corporation prior to his employment by the Corporation and, if so, to whom was it paid and what was the amount?

Hon. Jean Marchand (Minister of Regional Economic Expansion):

Officers: Name	Age	Salary
Tom Kent, President	49	$55,000 per annum
B. A. Graham, Vice President and Executive Secretary	42	It is not the practice of the Corporation to disclose data on salary or other payments to Corporate officials and staff.
J. A. Teeter, Vice President (Industrial Development)	50	
G. Blackmore, Vice President (Coal)	48	
N. MacPherson, Treasurer	64	
Board Members:		
Tom Kent	49	
J. J. Gagnon	52	Each Director, other than the President, is paid $2,000 per annum in addition to $100 per meeting day.
R. I. Grant	55	
D. O. Hartigan	55	
H. A. Renouf	54	
K. West	54	

2., 3. and 4. It is not the practice of the Corporation to disclose data on salary or other payments to Corporate officials and staff.

5. No.

ESKIMO CHILDREN—LANGUAGE TRAINING

Question No. 2,037—**Mr. Orlikow:**

1. What program, if any, was devised to assist teachers teaching English to Eskimo children?

2. Do they attend special in-service training courses before beginning teaching English and, if so, for how long and who conducts the courses?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. In the Northwest Territories, special workshops are organized and directed by experts in this field. From these workshops, courses are developed. One of the courses most extensively used is called "Let's begin English." Well qualified teacher consultants provide assistance to teachers who require it and visit schools where help is most urgently needed.

2. Yes. The duration of these courses varies from three days to two weeks. The courses are conducted by specialists in the field of teaching English as a second language. This year's courses for teachers going into the Frobisher and Keewatin regions were conducted by Mr. M. Mallon. In the MacKenzie District, the courses were conducted by Dr. Gloria Dampson.

COST OF CENSUS

Question No. 2,040—**Mr. Robinson:**

What was the estimated cost of the 1971 Census?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada reports that: The cost of the 1971 Census of Canada from the 1967-68 fiscal year up to the end of the 1971-72 fiscal year is estimated at $38,000,000.

,DEPARTMENT OF SECRETARY OF STATE—ENGAGEMENT OF PUBLIC RELATIONS FIRM

Question No. 2,042—**Mr. Fairweather:**

1. Has the Department of the Secretary of State engaged the services of Break, Pain and Watt, a Toronto public relations firm and, if so (a) from what date (b) what is the term of the contract (c) how much public money is involved in obtaining the services of this firm?

2. What services will be performed by Break, Pain and Watt which cannot be undertaken by Information Canada and the Department's own information division?

[*Editor's note: The answer, taken as read, follows:*]

1. Yes. (a), (b) and (c). Term of Contracts: (i) Aug. 28, 1970 to Oct. 31, 1970, $19,596.32; (ii) Jan. 4, 1971 to April 2, 1971, $20,420.56; (iii) April 5, 1971 to Oct. 4, 1971, $40,545.93; (iv) June 1, 1971 to Sept. 3, 1971, $5,173.54; (v) Nov. 1, 1971 to Feb. 29, 1972, up to $68,500.00.

2. The services performed under contracts (i), (ii) and (iii) were the planning and development of recommendations for a communications programme for the bilingualism program, the development of implementation studies with respect to some of those recommendations, and the carrying out of certain aspects of the communications program.

The service performed under contract (iv) was the development of a plan for the promotion of Canadian citizenship.

The services performed under contract (v) have been the provision to the Information Services Branch of leadership, administrative direction and implementation support to enable it to meet its immediate and on-going day-to-day work requirements until these duties could be assumed by the new Director of Information Services on December 9. Since his arrival, the services now being performed are the provision of assistance to the new Director and to Information Services in updating its long-range planning forecasts so as to meet future requirements.

COLOMBO PLAN

Question No. 2,052—**Mr. Robinson:**

What has been accomplished in economic development by the Colombo Plan?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. The economic growth histories of the Colombo Plan region countries are so diverse that generalizations are not too reliable. Such factors as declines in world prices of traditional exports, drought and political tensions can have a marked effect on individual rates of development. Over the past decade the average increase in GNP for all developing countries has been approximately 5 p. 100. In 1969 nine Colombo Plan countries Ceylon, Korea, India, Indonesia, Iran, Burma, Pakistan, the Philippines and Thailand achieved a real GNP growth rate of 6.9 p. 100. At the same time population in the developing countries has been growing at the rate of 2.5 p.

100 (In the industrialized countries the population growth averaged 1.2 p. 100.)

In general, Canadian assistance has been concentrated on major projects which have a high priority in the development plans of recipient countries and in fields in which Canadian technological experience is of special value. Canada has concentrated on projects such as the construction of nuclear power plants, hydro electric power installations, power transmission lines, transportation facilities as well as the provision of equipment and expertise in the fields of agriculture, forestry, fisheries and education.

EDUCATION—ESKIMO CHILDREN

Question No. 2,053—**Mr. Orlikow:**

1. In each year since 1958, how many Eskimo children started school at the grade 1 level?

2. How many of the Eskimo children in each school since 1958 finished grades 5, 6, 7, 8, 9, 10 and 11?

3. Is the percentage of Eskimo school children reaching high school substantially lower than the percentage of other Canadian school children reaching high school and, if so, has the government conducted any studies to ascertain the basic reasons for this difference?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. 1968-69, 669; 1969-70, 739; 1970-71, 925.

for previous years see answer to Parliamentary Question No. 1,444 tabled in the House of Commons on April 16, 1969.

2.

Grade	1968-69	1969-70	1970-71
V	368	428	455
VI	298	312	328
VII	139	183	219
VIII	111	201	119
IX	32	59	70
X	16	25	31
XI	11	9	20

for previous years' information see answer to Parliamentary Question No. 1,444 tabled in the House of Commons on April 16, 1969.

3. See answer provided to Parliamentary Question No. 1,444 tabled in the House of Commons on April 16, 1969.

CANADIAN CONTRIBUTION TO COLOMBO PLAN

Question No. 2,068—**Mr. Robinson:**

1. What has been Canada's total financial contribution to the Colombo Plan since its inception?

2. How have the funds contributed been utilized?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Canada's total bilateral financial contribution to the developing countries of the Colombo Plan area since the plan's inception in 1951 until the end of fiscal year 1971/72 was $1,377 million.

2. The funds were utilized in the following manner: Food Aid, $597 million; Grant Aid, 402 million; Development Loans 378 million.

[Mr. Sharp.]

NUMBER OF PERSONS SENTENCED UNDER HABITUAL CRIMINAL SECTIONS OF THE CRIMINAL CODE

Question No. 2,079—**Mr. Orlikow:**

1. How many persons have been sentenced under the Habitual Criminal sections of the Criminal Code and sentenced to preventive detention in each province in the years 1969 and 1970?

2. How many habitual criminals are still in prison after (a) ten years (b) five years?

3. How many of these people (a) have been paroled (b) violated their parole (c) returned to prison (d) received paroles in each of the years 1969 and 1970?

4. Do the inmates serve their original sentence and then serve x-number of years before parole is considered?

5. What special programs are available to these inmates and in what prisons are these programs available in British Columbia?

6. How much time must be spent on these programs before parole is considered for these prisoners?

Hon. Jean-Pierre Goyer (Solicitor General): 1. 1969: Quebec, 4; Alberta, 1; British Columbia, 3; Total 8. 1970: Quebec, 11.

2. (a) 3; (b) 4.

3. (a) 112 (total to date); (b) 48; (c) 48; (d) 1969—17; 1970—22.

4. No: An inmate who has been declared an habitual criminal serves for an indeterminate period of time in lieu of his original sentence. However, pursuant to Section 694 of the Criminal Code, the inmate's case is reviewed once in every year to determine whether he should be granted parole.

5. All persons serving a term of preventive detention enjoy the same privileges and opportunities to participate in institutional programs, as other types of inmates. In addition, through diagnostic, collaboration between treatment staff and the inmates involved, an individual program is developed to meet the specific needs of the person. These programs take the form of specialized individual treatment consisting of personal counselling and/or group therapy. British Columbia Penitentiary is the only federal correctional institution in British Columbia which provides a group therapy program of this nature.

6. No mandatory term of imprisonment is prescribed, for inmates serving indeterminate sentences, before they are eligible for parole consideration. Each case is reviewed once in every year pursuant to Section 694 of the Criminal Code to determine whether parole should be granted.

OLD AGE SECURITY

Question No. 2,081—**Mr. Orlikow:**

1. What was the total amount collected in the form of Old Age Security Tax in 1969 and 1970?

2. What amount was paid out in 1969 and 1970 on Old Age Pensions of $75.00 per month?

3. What amount was paid out in supplementary payments in 1969 and 1970?

4. What is the balance of the Old Age Security Fund?

Hon. John C. Munro (Minister of National Health and Welfare): 1.

1968-69	1969-70
$1,626.1 million	$1,831.0 million

2. The pension was increased to 76.50 effective January 1968; to $78 effective January 1969; and to $79.58 effective January 1970. Total amounts paid were as follows:

1968-69	1969-70
$1,296,849,281	$1,467,056,517

3.

1968-69	1969-70
$244,470,268	$263,478,628

4. $672.3 million as of September 30, 1971.

GULF SHORE HIGHWAY—PRINCE EDWARD ISLAND

Question No. 2,156—**Mr. Macquarrie:**

1. What was the commencement date for construction of the Gulf Shore highway in the Prince Edward Island National Park?

2. What was the total cost of construction for the highway and of subsequent additions or improvement to it?

3. When was it decided that a bridge across the Rustico Harbour would not be erected?

4. What were the reasons for such decision?

5. What expenditure has already been made on research for this bridge?

6. Has a definite decision been made to abandon plans for the erection of this bridge?

7. What alternative plans have been made to overcome the transportation gap which the non-construction of the bridge constitutes?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. April 1956.

2. $2,970,000 plus $480,000 to replace Covehead Bridge in 1963-64.

3. June 1964.

4. Because of difficulties involved in constructing this bridge namely: stabilization of nearly a mile of shifting sand dunes; construction of footings under extremely difficult conditions of tidal action; saline erosion and sand movement; spanning of a considerable breadth of navigable waterway by providing a swing-span bridge; cost of construction and expensive maintenance problem to prevent encroachment of sand dunes and saline erosion of metallic structures.

5. $40,000 for a model study carried out by the National Research Council in 1963.

6. Yes.

7. The provincial government has proposed a causeway that would link North Rustico and Rustico Island. This proposal was turned down for the following reasons: a) It would have significant adverse effects upon the Park; b) A pedestrian/vehicle conflict would result because of the location of such a causeway.

A development concept currently under review includes a parkway proposal which would traverse the inland environment and provide for penetration routes to the shore.

MAINTENANCE COST OF CANADIAN EMBASSIES

Question No. 2,176—**Mr. MacRae:**

1. In order of cost, what were the five most expensive Embassies to maintain in the past fiscal year?

2. What five High Commission Offices were the most expensive to maintain in the past fiscal year?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. Paris, France; Washington, U.S.A.: Brussels, Belgium; Tokyo, Japan; and Moscow, USSR.

2. London, England; New Delhi, India; Islamabad, Pakistan; Lagos, Nigeria; and Kuala Lumpur, Malaysia.

TRANSLATION SERVICES—RECRUITMENT OF UNILINGUAL EMPLOYEES

Question No. 2,177—**Mr. Godin:**

1. Has the government recruited any unilingual (a) French (b) English employees for translation services during the past two years and, if so, how many of each?

2. Are upgrading courses offered to these employees and, if so, how many have taken or are taking such courses?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission: 1. No unilingual translators have been appointed in the past two years. However, six unilingual English-speaking persons have been appointed as support staff ror the Translation Bureau.

2. Language training courses are available to these employees in accordance with overall government policy. To date, none have been placed in the language training stream.

[*English*]

NATIONAL DEFENCE—YUKON AIRCRAFT

Question No. 2,193—**Mr. Forrestall:**

1. What was the total number of Yukon aircraft purchased by the government?

2. What was (a) the cost per plane (b) the cost for spares (c) the total cost?

3. When did the Yukon first go into service?

4. Were any of these aircraft placed in storage for the purpose of replacements as required and, if so, how many and on what dates were they placed in service?

5. Has the entire fleet been sold and, if so, to whom and at what price?

6. With respect to each aircraft, what was (a) the total number of airframe hours (b) the total hours remaining before overhaul (c) the total hours remaining on each aircraft engine before major overhaul?

7. Were engines included among the spares and, if so, what hours remained on each before major overhaul?

8. Did any of these aircraft carry a current certificate of air worthiness?

Mr. Jack Cullen (Parliamentary Secretary to Minister of National Defence): 1. Twelve.

2. (a) 10 freighter/passenger aircraft at $6.5 million each; two passenger aircraft at $6.7 million each; (b) spares $20.1 million; (c) $132.3 million (including development, tooling and training simulators).

3. February 1961.

4. No.

5. Yes. One aircraft and one spare engine to Bachelor Enterprises, Miami, Florida for $250,000; eleven aircraft, peculiar spares and the remaining spare engines to Com-

Questions

pania Inter-America SA and Beaver Enterprises Limited, Montreal, jointly for $1.1 million.

6.

a/c Serial Number	(a) Airframe Hours	(b) and (c) Hours remaining before overhaul
15921	12,928	646; 1,513; 97; 1,041
15922	16.082	2,678; 2,481; 1,432; 427
15923	14,866	3,721; 1,627; 1,507; 3,351
15924	13,015	2,669; 2,602; 2,112; 1,957
15925	14,038	1,696; 1,511; 1,513; 1,279
15926	16,808	3,136; 1,167; 2,088; 1,731
15927	16,929	1,983; 2,217; 2,601; 3,881
15928	15,800	2,722; 2,258; 2,351; 3,185
15929	8,462	1,028; 834; 860; 1,992
15930	17,266	2,590; 484; 1,064; 2,865
15931	14,605	nil; 384; 491; 486
15932	8,247	1,328; 2,220; 2,033; 1,842

7. Yes.

Unserviceable Engines		Serviceable Engines	
5009	NIL	5011	2,423
5020	NIL	5019	3,579
5024	1,098	5025	2,132
5026	1,578	5038	4,500
5027	465	5048	1,774
5045	521	5050	2,741
5052	1,071	5058	3,600
5055	1,612	5059	1,444
5057	620	5060	3,701
		5063	2,159
		5072	1,720

8. No.

DREE GRANTS

Question No. 2,204—**Mr. McGrath:**

What was the number of grants and the average grant size to companies, who before receiving a DREE grant, had an employed capital of (a) up to $249,999 (b) $250,000 to $499,999 (c) $500,000 to $999,999 (d) $1,000,000 to $1,999,999 (e) $2,000,000 to $3,999,999 (f) $4,000,000 to $4,999,999 (g) $5,000,000 to $9,999,999 (h) $10,000,000 and over?

Hon. Jean Marchand (Minister of Regional Economic Expansion): The requested information is not accumulated or kept by the Department of Regional Economic Expansion.

LAC MEGANTIC—CONSTRUCTION OF FEDERAL BUILDING

Question No. 2,217—**Mr. Latulippe:**

Does the government intend to construct in the near future a building on the site of the old Post Office that would accommodate federal services such as the Post Office, Customs, Manpower and Immigration centres and the Unemployment Insurance Commission in the Town of Lac Mégantic in the constituency of Compton?

[*Translation*]

Hon. Arthur Laing (Minister of Public Works): Yes. It is the intention in 1972-73 if funds are available.

[Mr. Cullen.]

[*English*]

PUBLIC RELATIONS SERVICES—INDIAN-ESKIMO AFFAIRS

Question No. 2,222—**Mr. Barnett:**

Does the Indian Affairs Branch of the Department of Indian Affairs and Northern Development, in the Province of Alberta, engage any non-governmental persons or agencies to provide public relations services for the Branch and, if so, who are they and what amount of annual or other remuneration is paid to each of them?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Yes, Williams and Wilson Limited from Vancouver. $2,083.33 monthly plus $8,000 for out-of-pocket expenses.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

1971 CENSUS—KAMOURASKA CONSTITUENCY

Question No. 1,905—**Mr. Dionne:**

1. What are the names and addresses of the people who were hired to carry out the 1971 Census in the constituency of Kamouraska?

2. What amount was paid to each for this work?

Return tabled.

NOISE POLLUTION

Question No. 2,016—**Mr. Ryan:**

Is the government currently studying the problem of noise pollution in urban centres and, if so, how and with what results?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call notice of motion No. 261?

COPY OF UNITED STATES COMMUNICATION PROPOSING CONSTRUCTION OF PIPELINE FROM ALASKA TO SOUTHERN 48 STATES

Motion No. 261—**Mr. Anderson:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the United States communication of 1970 proposing the construction of an oil pipeline from Alaska to the Southern 48 States via Canada, referred to by Mr. James Akins of the United States State Department as quoted on page 10 of the Washington Daily News of 18 October 1971.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, unhappily it is not possible to accept the request tabled by the hon. member for Esquimalt-Saanich (Mr. Anderson) since no communication of the kind requested exists. The United States has made no formal or specific proposal involving specific Arctic pipeline projects nor has there been any

substantive discussion with the United States government on this subject although it was raised briefly at one meeting, between Canadian and United States officials, on the subject of bilateral trade in energy commodities. I therefore, with great regret, ask the hon. gentleman to withdraw the motion.

[*English*]

Mr. Anderson: Agreed.

Mr. Speaker: Dropped.

Order discharged and motion withdrawn.

Mr. Speaker: Shall the remaining notices of motions stand?

Some hon. Members: Agreed.

Mr. McGrath: Mr. Speaker, I rise on a point of order. On November 18 I placed question No. 2,152 on the order paper. It concerns the Ministry of Transport. Since, if the government gets its way, we will be adjourning until some time in February, I am thwarted in my efforts to get an answer to this very important question which concerns the instrument landing system at the airport at St. John's. Your Honour has said on a number of occasions that the oral question period is not the proper time to ask questions of a local nature. Consequently, in accordance with Your Honour's advice I placed this very important question on the order paper. May I also add that on the same day I wrote the Minister of Transport but I have not had any satisfaction from that source either. I am wondering what other avenue is open to me because my question concerns matters of safety regarding the operation of the airport, and I understand from information I have received today that the instrument landing system is still not working.

Mr. Jerome: I only know that we could scarcely get a subject in which the Minister of Transport is more vitally concerned because he flies in and out of that airport every week, so I know he will be diligent in preparing an answer to the question.

Mr. Baldwin: That is a poor excuse.

ORAL QUESTION PERIOD

INDIAN AFFAIRS

INDIAN ASSOCIATION OF ALBERTA—ALLEGED IMPROPER ACCOUNTING FOR FUNDS—REQUEST THAT REPRESENTATIVES BE HEARD BY COMMITTEE

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. When the minister appeared before the standing committee a couple of weeks ago he suggested that the Indian Association of Alberta had not properly accounted for the funds allotted to it. Has the minister now had an opportunity to look into the matter and is he satisfied that the Indian Association of Alberta has properly accounted for all funds given to it?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the situation is still the same and we are auditing the books concerned. Obviously some amounts have not been spent for the scheduled purposes. But, as to the other part of these amounts, they are now being investigated by government officials and I did not yet receive a final report on this.

[*English*]

Mr. Yewchuk: In view of the minister's answer that he is not yet clear on this matter, would he have objection to representatives of the Indian Association of Alberta appearing before the standing committee in order to give a proper public accounting and to try to clear their name of the allegations that have been made?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the committee is not under my authority.

[*English*]

Mr. Steven E. Paproski (Edmonton Centre): I have a question for the Minister of Indian Affairs and Northern Development. Before the House rises, will the minister make a complete detailed statement on the serious financial irresponsibility which he claims exists on the part of the Indian Association of Alberta in its relations with his department, and will he place the entire matter before the Standing Committee on Public Accounts?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I am not responsible either for the Standing Committee on Public Accounts.

[*English*]

Mr. Yewchuk: In view of the apparent breakdown in communication between the minister and the Indian Association of Alberta and in view of the resignation of Harold Cardinal, the president, I wonder whether the minister would consider taking the same course of action in order that a more effective minister can be placed in this position?

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

* * *

PUBLIC AFFAIRS

PRESS, TELEVISION, UNION AND UNIVERSITY CRITICISM OF AUTHORITY—STATEMENT BY PRIME MINISTER

Mr. Edward Broadbent (Oshawa-Whitby): My question is for the Prime Minister. In view of the Prime Minister's opinion, as expressed in an interview with James Reston of the New York *Times* released yesterday, that the emergence in contemporary Canada of press, television, union and university criticism of authority is pushing society "toward a breakdown", does he intend to ask that this subject be added to the terms of reference of the special joint committee of the Senate and the House of Commons

set up to look into measures needed to deal with emergency situations in Canada?

An hon. Member: Author?

Right Hon. P. E. Trudeau (Prime Minister): I will certainly take the member's representation into consideration, Mr. Speaker.

Mr. Broadbent: I repudiate the suggestion that it was a representation. It is a very important question. In view of the profound importance to a free society of the existence of many and diverse centres of criticism, would the Prime Minister either make a statement on motions clarifying his meaning or, failing this, repudiate entirely the implication that he is committed to the restriction of free criticism?

Mr. Trudeau: I cannot understand why the hon. member wants the matter referred to a committee in the first place and then says it has no importance.

Mr. Broadbent: I rise on a point of order, Mr. Speaker. In refusing to answer the first question adequately the Prime Minister completely distorted what I had to say in the second.

Mr. Speaker: I suggest to the hon. member that that is hardly a point of order.

* * *

[*Translation*]

AGRICULTURE

BRIEF OF QUEBEC HOG PRODUCERS ASSOCIATION—MINISTER'S POSITION

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I have a question for the Minister of Agriculture.

Considering that in the last few days he has received a brief from the Quebec Hog Producers Association asking that the federal government or the Department of Agriculture pay part of a grant to compensate for losses by Quebec hog producers, would the minister tell this House if the government intends to grant this request?

• (2:40 p.m.)

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. We have announced a program that will be initiated under the Agricultural Stabilization Act as soon as we have the figures for 1971.

Mr. Speaker: The hon. member for Hillsborough.

Mr. Macquarrie: Mr. Speaker, I should like to ask the Secretary of State—

Mr. Speaker: Order, please. I wonder whether the hon. member for Hillsborough would mind if I allowed the hon. member for Richmond a supplementary. I believe he was waiting for the interpretation.

[*Translation*]

Mr. Beaudoin: I have a supplementary, Mr. Speaker.

[Mr. Broadbent.]

Would the minister tell us if he intends to implement the recommendation that his department reimburse certain sums that the Quebec hog producers have lost last year?

[*English*]

Mr. Olson: Mr. Speaker, this will not be done on the basis of losses for individual producers. There will be an average deficiency payment determined and of course it will be paid to all producers.

* * *

EXTERNAL AFFAIRS

AID TO PAKISTANI REFUGEES WHILE IN INDIA AND AFTER REPATRIATION

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Secretary of State for External Affairs if he is now able to answer my question of a few days ago regarding Canada's aid program with reference to the millions of suffering people in recently war-torn and long-suffering Bangla Desh?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am now in a position to say that, although the situation remains fluid in view of the formal cessation of hostilities, it is now possible to proceed to disburse some of the $18 million which I announced would be available for the relief of Pakistani refugees in India. To help meet these needs both for relief and rehabilitation while they are in India and for a limited period after they are repatriated, a first tranche of $5 million has been decided upon. Two million dollars will be distributed to the United Nations' High Commissioner for Refugees in his capacity as the international focal point for refugee relief, and $3 million will be channelled through Canadian voluntary agencies which are supporting relief programs in India and in East Pakistan.

Mr. Macquarrie: Mr. Speaker, may I ask the minister if the government's attitude is one of encouragement to those many Canadian organizations and individuals which have contributed generously on an individual basis to this area of need?

Mr. Sharp: Yes, Mr. Speaker. In order to give tangible evidence of our support we are allocating government funds to those agencies which we hope will encourage them to raise money voluntarily.

BANGLA DESH—POSSIBLE RECOGNITION BY CANADA

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary is for the Secretary of State for External Affairs. Can he inform the House whether any steps have been taken toward the diplomatic recognition of the new country of Bangla Desh?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. I am sure the House will agree that until there is evidence of a government being in control in that area it would be unwise to proceed with recognition or an exchange of diplomats.

SUGGESTED CONFERENCE TO PLAN ASSISTANCE IN RECONSTRUCTION IN EAST PAKISTAN

Mr. Andrew Brewin (Greenwood): Mr. Speaker, with regard to the first question, has the minister considered calling a conference of development agencies, both public and voluntary, to plan Canadian assistance in the immense task of reconstruction and will the government consider, without prejudice to the question of formal diplomatic recognition, communicating with the civil authorities of Bangla Desh or East Pakistan with a view to offering Canadian development aid?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it seems to me it would be well for us to utilize the international agencies available for this purpose. That is the purpose I had in mind when I said that $2 million would be allocated to the High Commissioner for Refugees who is the focal point for distribution of relief. I do not believe we can organize distribution of relief in Canada. It must be done on the spot.

[*Translation*]

Mr. Speaker: I believe the hon. member for Labelle wanted to put a supplementary to the one put before.

* * *

[*English*]

AGRICULTURE

MEETING BETWEEN MINISTER AND QUEBEC FARMERS' DELEGATION

Mr. Maurice Dupras (Labelle): Mr. Speaker, my question is for the Minister of Agriculture. I should like to ask if he has met with a large delegation of farmers from the province of Quebec?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker.

* * *

INCOME TAX

TIME OF DISTRIBUTION OF EMPLOYEES' DEDUCTION FORMS UNDER NEW BILL

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of National Revenue and has to do with the employees' tax deduction returns that will have to be made once the Governor General has given royal assent to the so-called tax reform bill. When are these returns being sent out to be completed by employees?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, these returns I believe have already been distributed.

Mr. Diefenbaker: Mr. Speaker, I should like to ask the minister a supplementary because I have some of the forms here headed "TD-1, Rev. 1972." The form deals with claims for personal exemptions, exemptions for single, divorced or separated people and for widows or widowers, exemptions for wholly dependent children, total exemptions, and so on. I am informed that these forms were sent out three weeks ago before Parliament passed the bill. Was this intended as another affront to this institution?

Mr. Gray: Certainly not, Mr. Speaker. The application of these forms would, of course, be subject to the final decision of Parliament.

Mr. Diefenbaker: Mr. Speaker, how can the minister explain the sending out of returns containing all the amendments provided for in the bill that was then before Parliament three weeks before Parliament dealt with it? Surely we are coming to a state where bureaucracy and autocracy are running this country.

Some hon. Members: Hear, hear!

Mr. Gray: Mr. Speaker, this was done so that firms could arrange their affairs in such a way that if and when Parliament gave final approval to the legislation the benefits by way of lower taxes could go into effect immediately in the new year.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: That frivolous explanation is not accepted. Did the minister have another leak in his department as to what the House of Commons and the Senate were going to do with this bill?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I think I have to bring to the attention of hon. members who contribute from their seats on the back benches to debate, to the question period or to other proceedings from time to time by way of interruptions that this is not in keeping with the dignity of Parliament. I am not referring to any member in particular, but I think all hon. members would want to exercise self-discipline in this regard and appreciate that this adds nothing to the efficiency of our debates or the dignity of Parliament and the reputation of the institution. The hon. member for Winnipeg North Centre. I apologize to the hon. member. A point of order is being raised by an hon. member.

Mr. Alkenbrack: Mr. Speaker, my point of order is as a result of your admonition concerning interruptions. Could the House now hear the supplementary question that was asked by the right hon. member?

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Winnipeg North Centre.

* * *

PENSIONS

LOWERING OF AGE FOR ESCALATION OF PENSIONS OF RETIRED ARMED FORCES AND RCMP PERSONNEL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Treasury Board. On November 26 as well as on a number of other occasions I asked the minister what progress is being made in making the necessary arrangements so that

retired armed forces and RCMP personnel may get their pensions escalated without having to wait until age 60. The last answer was that an effort was being made to achieve the reconciliation to make this possible. Now that it is Christmas, can the minister report progress on this matter?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I can report progress. I think the hon. gentleman is aware that in order to effect the purpose he is seeking legislation will be required. I think he is as well aware as I am that our legislative calendar is a little crowded.

• (2:50 p.m.)

Mr. Knowles (Winnipeg North Centre): As a supplementary question, Mr. Speaker, in view of the fact the government thinks the House can take six or seven weeks off, could we not find time to deal with this matter?

* * *

REGIONAL ECONOMIC EXPANSION

BANKRUPTCY OF CERTAIN QUEBEC FIRMS AFTER RECEIVING GRANTS—CRITERIA FOR EVALUATING APPLICATIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. In view of the admission by the minister in a letter to *Le Soleil* that over $500,000 was paid out in grants under the Regional Industrial Incentives Act to firms in Quebec that subsequently went bankrupt, is he prepared to make known to the House the criteria used in evaluating those applications under the Regional Development Incentives Act?

Mr. Speaker: Order, please. I trust the minister would not make this statement now. The hon. member has asked a very general question. The minister should indicate whether he would want to make a statement on motions.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I am merely rising on a question of privilege. I think that the amount of $500,000 is probably correct in relation to a total of $100 million which have been paid. That is a lot better than an error committed by a certain well known government concerning the heavy water plant in Nova Scotia.

[*English*]

Mr. McGrath: Mr. Speaker, I rise to ask a supplementary question. The minister is obviously very sensitive on this point, and well he should be, in view of the criticisms levelled at the program, especially in the province of Quebec. I would ask him whether in view of the subsequent revelation that over $2 million has been paid out to firms in Quebec that have either gone bankrupt or, subsequent to receiving the grants, have had substantial layoffs, will he explain to the House what the policy was on which he based his decisions in making these grants, and did he refer to well known authorities such as Dun and Bradstreet before making the decisions?

[Mr. Knowles (Winnipeg North Centre).]

Mr. Speaker: Again I suggest to the hon. member, particularly in relation to the first part of his question—the latter part was specific—that he is asking a very general question.

[*Translation*]

Unless the minister wishes to reply briefly, I would point out that this type of information should normally be given on motions.

Mr. Marchand (Langelier): Mr. Speaker, I rise on a question of privilege to keep the record straight. Indeed, figures given at random create very grave prejudice. Moreover, those figures being given in this House are given a false interpretation by the member.

[*English*]

Mr. McGrath: As one further supplementary question, Mr. Speaker, the minister can clear the air on this matter very simply if he will agree to make a statement on motions tomorrow, in view of the accusations levelled at him in Quebec that his program is patronage ridden in that province.

Some hon. Members: Oh, oh!

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

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I wish to direct a supplementary question to the Minister of Regional Economic Expansion. It deals with the same subject matter that was raised by the hon. member for St. John's East. In the minister's dual capacity as national organizer for the Liberal party and the minister in charge—

Mr. Speaker: Order, please.

Mr. Horner: —of grants under DREE—

Mr. Speaker: Order, please. The hon. member cannot ask a question in those terms. He can ask a question of the minister in his capacity as the minister responsible for a certain part of the administration, but certainly not in his capacity as leader or deputy leader of a party in any province. I am sure the hon. member would like to rephrase the question.

Mr. Horner: Thank you, Mr. Speaker. I certainly accept your suggestion and I will rephrase the question. Could the minister, in his capacity as minister in charge of the making of grants under DREE, assure the House that there is no conflict of interest in granting these moneys and that there are no political bagmen receiving information from his department as to whom to tag for political funds?

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh!

Mr. Horner: Two million dollars out of $100 million to the Liberal party.

Mr. Marchand (Langelier): That is disgusting.

Mr. Speaker: The hon. member for Red Deer.

Mr. Marchand (Langelier): Prove one case.

Mr. Nowlan: Get up on a point of privilege.

Mr. Speaker: Order, please. The comments I made a moment ago about interruptions from hon. members apply again. The Chair has recognized the hon. member for Red Deer.

Mr. Horner: Resign as national organizer. That is the only way to clear your name.

Mr. Marchand (Langelier): You resign if you cannot prove what you say.

Mr. Nowlan: Oh, get up on a point of privilege, for cripes sake.

Mr. Speaker: Order, please. I bring to the attention of hon. members that the hon. member for Red Deer has the floor.

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TRADE

POSSIBLE TEMPORARY REMOVAL OF UNITED STATES IMPORT SURTAX

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the Minister of Finance. In view of the fact that the chief United States negotiator to the European Economic Community stated yesterday that approval of the devaluation of the American dollar will not be submitted to Congress until he has a satisfactory trade package agreed to by the EEC, can the minister inform the House whether deletion of the surcharge is a temporary thing and, if so, is Canada exempted from that type of arrangement?

Hon. E. J. Benson (Minister of Finance): All I can say, Mr. Speaker, is that the surcharge has been lifted.

* * *

INCOME TAX

ANNOUNCEMENT OF VALUATION DATE UNDER NEW LEGISLATION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of Finance. Can he tell the House whether he expects to be able to announce in Parliament the date of valuation day under the terms of Bill C-259?

Hon. E. J. Benson (Minister of Finance): Really, Mr. Speaker, I cannot answer that question. I cannot indicate when I am going to announce it.

Mr. G. W. Baldwin (Peace River): As a supplementary question, Mr. Speaker, can the minister say whether it will be after he files his substantial amendments to the Income Tax Act next year?

Some hon. members: Oh, oh!

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

SUGGESTED LEGAL AID PROGRAM FOR THE YUKON

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the Minister of Justice. In view of the fact the Minister of Justice is the Attorney General of the Northwest Territories and the Yukon, and as he has devised a legal aid program for the Yukon but it has not been implemented because the commissioner of that territory has not signed the agreement, I wish to ask why the commissioner has not signed the agreement, and will the minister take immediate steps to have it signed?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, we recognize a considerable amount of autonomy for the Commissioner of the Northwest Territories and the Commissioner of the Yukon, and it is up to him to decide when he wants to sign the agreement.

Mr. Gilbert: In the meantime, will the minister direct the police officers in that area not to lay charges against Indians and Eskimos with regard to alcoholism or vagrancy so that they will not feel that discriminatory practices have been perpetrated on them by the police officers?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I might say to the hon. member that the law has to be enforced, but two years ago I gave instructions to the police in the Northwest Territories and the Yukon not to arrest for drunkenness, if possible, but to take the person concerned to his own home.

* * *

SCIENCE AND TECHNOLOGY

DEVELOPMENT OF STRATEGY FOR APPLICATION TO INDUSTRY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the minister through whom the Science Council reports to Parliament. In view of the concern expressed some weeks ago by the council about the lack of an industrial strategy in Canada, and in view of the concern indicated in a report published today, I believe based on a study conducted on behalf of the Science Council, about technology in Canada, has the minister developed a strategy in connection with the application of science to industry in Canada?

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, the report that the Leader of the Opposition referred to was released this morning. I had a very preliminary look at it. I think it will make a very useful contribution in helping to answer the basic question: how can we create the conditions for the expansion and development of healthy, growing and viable industries in a world-wide trading system that is more and more dominated by multinational corporations?

Mr. Stanfield: In view of the fact the minister has had the interim report of the Science Council for several weeks—I assume a man of his diligence has read it many times—can he indicate to the House when we may expect an announcement from him as to an effective and concrete approach to this problem?

Inquiries of the Ministry

Mr. Gillespie: Mr. Speaker, I cannot give any undertaking as to when the hon. gentleman can expect a statement to be made. My advice will be given to my cabinet colleagues.

Mr. Stanfield: Then it will be going down the drain.

• (3:00 p.m.)

FEASIBILITY STUDY OF USE OF NATURAL GAS TO PROPEL AUTOMOBILES

Mr. Lloyd R. Crouse (South Shore): I have a supplementary question for the Minister of State for Science and Technology. In view of the statement made recently by the Minister of the Environment, is the government planning to curtail propane gas sales to the United States in order to ensure a supply of clean fuel for future natural gas automobiles? If so, when can we expect an announcement of a feasibility study covering the future use of natural gas in automobiles?

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, I think this question was asked in a slightly different form earlier this week or last week of the Minister of Transport, and he gave us an answer at that time.

REQUEST FOR REFERENCE OF SCIENCE COUNCIL STUDY TO COMMITTEE

Mr. William Knight (Assiniboia): I have a supplementary question for the Minister of State for Science and Technology. Will the minister refer the Science Council study called "The Multinational Firm, Foreign Directive Investment and Canadian Science policy", to the Standing Committee on Finance, Trade and Economic Affairs at the beginning of the next session?

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, my understanding is that the committees themselves decide the proper time to do this.

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TRADE

EUROPEAN COMMON MARKET—ENTRY OF CANADIAN RAPESEED

Mr. Jack Murta (Lisgar): My question is directed to the Secretary of State for External Affairs. In light of the minister's recent meeting with members of the European Economic Commission, can the minister state what conclusions were drawn from his talks in relation to the acceptability of Canadian rapeseed entering the European Common Market?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I had an opportunity to raise this question specifically with representatives of the commission but I have not yet heard what the result may be. I hope it will be favourable.

[Mr. Stanfield.]

AGRICULTURE

IMPORTING OF BUTTER BECAUSE OF SHORTAGE—REQUEST FOR REDUCTION OF PENALTY ON OVER-QUOTA CREAM

Mr. Maurice Foster (Algoma): Mr. Speaker, I have a question for the Minister of Agriculture. In view of the shortage of butter in Canada to the extent that it has been necessary recently to import some eight or ten days national supply, would the minister give serious consideration to reducing the penalty of some 30 cents a pound on farm separated cream for over-quota production?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I should like to advise that the Canadian Dairy Commission does not take any holdback directly on over-quota shipments of cream. This is done on the market share quota. This is being applied, in the case of Ontario, by the Ontario Milk Marketing Board. I recognize there is a problem, but there is also the problem of being equitable between those who have quotas and those who are shipping over the quota. We have to take both things into consideration.

[*Later:*]

[*Translation*]

PRICE PAID FOR BUTTER IMPORTED FROM UNITED STATES

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I should like to put a supplementary question to the Minister of Agriculture and ask him whether or not he knows what price the Canadian government has to pay for American butter?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): I am not sure, Mr. Speaker, but I could find out.

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HEALTH

SUGGESTED YEAR-ROUND OPERATION OF MEDICAL COLLEGES TO OVERCOME SHORTAGE OF DOCTORS—POSSIBLE INCREASE IN GRANTS

Mr. P. B. Rynard (Simcoe North): I have a question for the Minister of National Health and Welfare as a follow-up to questions I have asked the minister on many occasions. In light of the recent statement by the Prime Minister, may I ask whether the Minister of National Health and Welfare is now prepared to give the necessary grants so that medical education can be provided on a year-round basis to help overcome the grave shortage of doctors and relieve unemployment in the student area?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have indicated to the hon. member before, I believe, that we have some considerable sympathy for this approach.

An hon. Member: You believe?

Mr. Munro: It is primarily an area of provincial responsibility in terms of implementing policies of this kind, and they would have to negotiate such policies with

the medical profession and the medical educators. However, we do have the health resources fund now available to the provinces in terms of capital construction for medical education facilities. This fund is available to encourage such development, but I do not know what other leverage the federal government has.

Mr. Rynard: The Prime Minister has indicated that he is in favour of universities operating the year round. I am asking what grants the government is prepared to give to the universities to keep them operating?

Mr. Munro: Mr. Speaker, under post-secondary education funds we pay half the operating costs, and under the health resources fund we make moneys available for capital construction, so I do not know what other grants the hon. member is talking about.

Mr. Rynard: A supplementary—

Mr. Speaker: Order, please. I believe the hon. member for Richmond—

Mr. Rynard: A supplementary question. Surely, the minister has grasped the fact that the academic year is not a calendar year.

Mr. Speaker: Order, please. This is debate.

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FINANCE

EFFECT OF JAMES BAY POWER PROJECT ON EXCHANGE RATE OF CANADIAN DOLLAR—DISCUSSION WITH QUEBEC

Mr. Max Saltsman (Waterloo): I should like to direct a question to the Minister of Finance. In view of the great concern that the Canadian dollar should not rise too much above the American dollar, is the minister looking at the James Bay project to see what effect the cost of it would have on the Canadian dollar?

Hon. E. J. Benson (Minister of Finance): No, we are not in this regard, Mr. Speaker, and I am pleased to note that the Canadian dollar has moved in the direction that I indicated I thought it would move.

Mr. Diefenbaker: That will be the first time you have been right, if you are.

Mr. Saltsman: Is it the intention of the Minister of Finance to discuss this matter with the appropriate officials in the province of Quebec with a view to seeing what effect it would have on the Canadian dollar?

Mr. Benson: Mr. Speaker, I shall consider the hon. member's suggestion.

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INDUSTRY

PULP AND PAPER—SPECIAL PLANS TO OFFSET EFFECTS OF SHUTDOWNS

Mr. Thomas M. Bell (Saint John-Lancaster): My question is for the right hon. Prime Minister and is a follow-up to the question asked yesterday by the hon. member for Fundy-Royal about the lay-offs at Bathurst, New Brunswick. Is the government in a position today or tomorrow to give some indication of any special plans they might have for this area? I realize there was a statement made when the meeting was held with Premier Hatfield, but is there any reason for optimism for this area before the word is out?

Right Hon. P. E. Trudeau (Prime Minister): I shall look into this matter, Mr. Speaker.

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SECRETARY OF STATE

AID TO REGINA JUNIOR LIONS BAND TO PARTICIPATE IN TOURNAMENT OF ROSES PARADE

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Secretary of State on the very important matter I discussed with him a couple of weeks ago. In light of the signal honour which has been accorded to the Regina Junior Lions Band in that they have been invited to participate in the 83rd Tournament of Roses Parade at Pasadena, California, on January 1, can the minister say whether a reasonable grant from one of the travel programs under his jurisdiction has been made to this band in order that they may be able to avail themselves of this wonderful opportunity to help develop good international relations? If not, can the minister indicate whether—

Mr. Speaker: Order, please. I have to interrupt the hon. member. This kind of question ought not to be asked at this time. If the minister can reply briefly I shall allow it, but we are trying to get through the question period and many members are seeking an opportunity to ask questions. We should try to make the questions brief and also the replies, but the minister can reply briefly.

Hon. Gérard Pelletier (Secretary of State): As briefly as I can put it, Mr. Speaker, the project was submitted to us. It does not fit the criteria of any one of the travel programs but we are examining whether we can admit it in some other way.

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GRAIN

POSSIBLE USE OF UNIT TRAINS TO INCREASE LOADINGS AT WEST COAST TERMINALS

Mr. Cliff Downey (Battle River): I should like to direct a question to the minister in charge of the Wheat Board. In view of the fact that maximum monthly loadings at west coast terminals have been in the neighbourhood of 28 millions bushels, and in view of the fact that commitments have been made to load some 37 million bushels in December and the indications are that commitments for January and February will be the same or even more, is the minister giving any consideration to making use of unit hopper car trains to fill the gap?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the question of maximizing our capacity at Vancouver is receiving consideration. The peak of unloadings apparently results from ships not presenting themselves when they were scheduled. The use of unit trains would not meet this problem. The hold-up is not in the cleaning of the grain or presenting it at the terminals, but rather in the availability of berths at the moment to get the grain on the ships.

Mr. Speaker: Order, please. Again I have to bring to the attention of hon. members that there are just a few minutes left before the end of the question period, and every supplementary asked is of course at the expense of hon. members who are awaiting the opportunity to ask questions. The hon. member for Battle River on a supplementary.

Mr. Downey: In view of the fact that when we check with the exporters they say they can predict the arrival in port of ships within minutes, could the minister in charge of the Wheat Board not attempt to get together with these people so that the public will know what is going on?

Mr. Speaker: That is a representation, of course. The hon. member for Brant.

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THE CANADIAN ECONOMY

UNEMPLOYMENT—GOVERNMENT FORECASTS

Mr. Derek Blackburn (Brant): My question is directed to the Minister of Finance. Is the minister prepared to say whether his department is forecasting a decline or a rise in seasonally adjusted unemployment over the next few months?

Mr. Speaker: Order, please. I have very serious doubts about that question.

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SECRETARY OF STATE

INQUIRY AS TO GRANT TO FORMER PRIME MINISTER PEARSON TO WRITE MEMOIRS

Mr. Steven E. Paproski (Edmonton Centre): I have a question for the Secretary of State. Has the Canadian government granted moneys to former Prime Minister Lester Pearson to write his memoirs?

• (3:10 p.m.)

Mr. Speaker: Order, please. That question could well be placed on the order paper.

Mr. Paproski: On a point of order, Mr. Speaker, since this session has almost come to an end and questions put on the order paper may not be answered, could the Secretary of State just answer yes or no?

Mr. Speaker: Order, please. The rule is very simple. I suggest that that kind of question should be placed on the order paper. The rules indicate that if there is urgency and hon. members are anxious to obtain this kind of information, they can do so by having the matter considered at the time of adjournment.

[Mr. Downey.]

Mr. Trudeau: Raise it at ten o'clock.

Mr. Paproski: On another point of order, Mr. Speaker, if there is to be such a grant, if the Secretary of State is giving money to former prime minister Lester Pearson for this purpose, then I suggest he should give money to two other former Prime Ministers.

Some hon. Members: Oh, oh!

Mr. Baldwin: Wait until next year. The present Prime Minister will then be the former prime minister.

Mr. Knowles (Winnipeg North Centre): Save some money for Pierre; as a former prime minister next year, he will need it.

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UNEMPLOYMENT INSURANCE

REOPENING OF OFFICES TO EXPEDITE PAYMENT OF CLAIMS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of Labour. The minister has indicated to the House that he will be announcing in the House some changes to permit unemployment insurance claims to be paid more quickly. Since in some areas of Canada the service is extremely good whereas in other areas there is quite a bit of difficulty, would the minister consider reopening on a full-time basis some of the offices that were closed formerly?

Hon. Bryce Mackasey (Minister of Labour): Yes, Mr. Speaker. We are reviewing the work load in various areas of Canada. We have opened some offices, as hon. members on both sides of the House know. In view of the representation of the hon. member, I will ask for a full report tomorrow.

Mr. Speaker: The hon. member for St. John's West.

Mr. Alexander: A supplementary question, Mr. Speaker—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for St. John's West.

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AIRPORTS

ST. JOHN'S, NFLD.—OPERABILITY OF INSTRUMENT LANDING SYSTEM

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is for the Minister of Transport. Can the minister say what action has been taken by his department to ensure that the instrument landing system is working at St. John's airport?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I will have to give the answer informally, in a

sense. As far as I know at the moment, it is working satisfactorily. I will get more details.

* * *

GRAIN

USEFULNESS OF UNIT TRAIN IN EXPEDITING SHIPMENTS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the minister in charge of the Wheat Board and is supplementary to the question asked by the hon. member for Battle River. In view of the recent successful trial run utilizing the unit train and inland terminal concept for moving grain to the west coast, could the minister indicate whether this new innovation is being explored and developed and whether it conforms to the recommendations of the committee which was studying the rationalization of grain transportation and handling?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the experiment was no doubt useful for a number of reasons, but a great number of difficulties arise in trying to put any such plan into more common operation. Its more immediate usefulness will become apparent if, indeed, the cleaning facilities are beyond their capacity at either terminal, in which case we might be able to use the cleaning facilities at the inland terminals. At the moment, the cleaning facilities are not the limiting factor.

REQUEST FOR TABLING OF REPORT ON RATIONALIZATION OF HANDLING AND TRANSPORTATION

Mr. Don Mazankowski (Vegreville): A supplementary question, Mr. Speaker. Is the minister in a position to indicate to the House when the report will be tabled regarding the study with respect to transportation and handling?

Hon. Otto E. Lang (Minister of Manpower and Immigration): No, Mr. Speaker. I cannot do that. We are planning some further discussions with the provincial authorities before making another move.

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POLLUTION

GREAT LAKES—DATE OF SIGNING OF AGREEMENT WITH UNITED STATES

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Have negotiations between Canada and the United States on the proposed clean-up of the Great Lakes reached the point where an agreement can be signed before the end of this year? If not, when is the agreement expected to be ready for signature?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I cannot answer as to the date, but discussions that look toward as early as possible signing of the agreement are proceeding.

FISHERIES

PHASING OUT OF OPERATIONS BY FOREIGN COUNTRIES WITHIN TWELVE MILE LIMIT AND ENCLOSED AREAS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Secretary of State for External Affairs. In view of the steady decline in the fisheries resources off the coast of Atlantic Canada, when can we expect an announcement from the minister covering the phasing out of fishing operations within our established 12-mile limit and enclosed areas like the Gulf of St. Lawrence by such countries as Denmark, Italy, Spain, Portugal, France and the United Kingdom?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, negotiations with a number of these countries are proceeding quite successfully and I would hope that some sort of statement can be made fairly early in the new year. For example, the treaty with Denmark has been initialled *ad referendum.* It will be coming before the government early in the new year. Therefore I hope that some time early in 1972 we might be able to make an over-all statement.

• (3:20 p.m.)

RATIFICATION OF AGREEMENT WITH NORWAY—CONSULTATION WITH MARITIME PROVINCES—REQUESTED TABLING OF DIPLOMATIC NOTES ON NEGOTIATIONS WITH VARIOUS COUNTRIES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Can the minister say whether an agreement between Norway and Canada was ratified today and can he further say whether that agreement in any way reflected consultations with the Atlantic provinces?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, it may be that the Norwegian government has ratified. The question of a fishing agreement has not yet come before our government for ratification, but I expect that it will be ratified almost immediately. These negotiations and the treaties that result come from very extensive study by all interests in the Atlantic area as well as, of course, the Department of Fisheries and the Department of External Affairs. I do not think there is any doubt that they are very much in Canada's interest.

Mr. Lundrigan: A supplementary question, Mr. Speaker. The Secretary of State for External Affairs is deliberately or otherwise misleading the House—

Mr. Speaker: Order, please. Will the hon. member please resume his seat. The hon. member cannot say that a minister or another hon. member is deliberately misleading the House. That is unparliamentary. Even if an hon. member objects to a statement, at no time is he allowed to use unparliamentary language. I have no intention whatever of allowing hon. members, even though it is close to Christmas, to use that kind of language at this time or to display this kind of attitude. It constitutes a disregard of the rules. If the hon. member wishes to ask a question which is in order I will recognize him for that purpose, but I will not recognize him for the purpose of making accusations against other hon. members.

Mr. Lundrigan: Mr. Speaker, if the rules of the House of Commons prevent me from telling the truth, I can only say to Your Honour—

Mr. Speaker: Order, please. The hon. member is intelligent and should recognize that the Chair cannot allow the hon. member to say, "I will not use those words because I am not allowed to tell the truth." The hon. member knows that he cannot use that tactic.

Mr. Lundrigan: Mr. Speaker, perhaps it would be in order for the Secretary of State for External Affairs to correct the record with regard to the statement he has just made, because the agreement between Canada and Norway was ratified today. I understand that there has been a statement, which is either on record or which has come from the minister's office, indicating that Canada has agreed to permit Norway to violate the territorial seas of Canada under an official agreement. Your Honour, if members are not permitted to refer to public facts, and if ministers such as this minister who does not have a spine at all—

Mr. Speaker: Order, please.

Mr. Lundrigan: —or any backbone—

Mr. Speaker: Order, please. Will the hon. member please resume his seat.

Some hon. Members: Oh, oh!

Mr. Speaker: The hon. member knows that he has no right to use this language. I again tell him that he must respect the rules of the House. I hesitate to use the word "rules". Let us say that he must respect the adopted and recognized customs and usages of this House. The hon. member can ask a question without going to these extremes of language and expression. I recognized him for the purpose of a supplementary question, because we had reached the end of the question period. He might ask that question and then we will call orders of the day.

Mr. Lundrigan: Mr. Speaker, certain agreements have been arrived at between the government of Canada and various European countries, and all of them disadvantageously affect the affairs of the Atlantic region. The Secretary of State for External Affairs today indicated that there has not been any official agreement between Canada and Norway. I now ask the minister whether he will be prepared to table the diplomatic notes exchanged between Canada and Norway, Denmark, Spain, Portugal, the United Kingdom, France and Italy, to indicate the extent of the negotiations taking place with these various countries. Further, would he be prepared, Sir, in all sincerity, to discuss this matter with the premiers of the Atlantic provinces before agreements are formalized, in view of the very disadvantageous effects they may have on the Atlantic provinces?

Mr. Sharp: Mr. Speaker, I have tabled the exchanges with Norway. I said at that time that we had not yet ratified, and I do not think we have yet.

An hon. Member: The minister does not think!

Mr. Sharp: Perhaps the hon. gentleman knows better than I do, but I do not think the matter of a fishing agreement came before cabinet. As to the agreement with Denmark, it has been negotiated and signed *ad referendum* by officials. It will be coming before cabinet in January. The agreements with other countries are under discussion. We will be quite prepared to defend them against the charges of the hon. member, and I think my backbone is at least as stiff as his.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Orders of the day.

* * *

BUSINESS OF THE HOUSE

Mr. Baldwin: I rise on a point of order, Mr. Speaker. As the House is now existing on a day to day basis, possibly the government House leader will indicate if the order of business which he announced last night will continue for this week and next week.

Mr. Benson: And the week after.

Mr. MacEachen: It will be the next order of business, Mr. Speaker. I am not saying the day or the week.

Mr. Speaker: Order, please. I believe the hon. member for St. Paul's is rising on a point of order.

Mr. Wahn: Yes, Mr. Speaker. With unanimous consent, could we revert to presenting reports in order to present a report from the Standing Committee on External Affairs and National Defence?

Mr. Speaker: This requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There is unanimous consent.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Fifth report of the Standing Committee on External Affairs and National Defence—Mr. Wahn.

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

• (3:30 p.m.)

GOVERNMENT ORDERS

CUSTOMS TARIFF AMENDMENT ACT, 1971

The House resumed, from Tuesday, December 21, consideration of the motion of Mr. MacEachen (for the Minister of Finance) that Bill C-261, to amend the Customs Tariff, be read the second time and referred to the committee of the whole.

Mr. Max Saltsman (Waterloo): Mr. Speaker, while an examination of this bill would seem to indicate that the

changes being made are of a minor nature and not of any great significance, I feel that Bill C-261 is important in reflecting the failure of government policy to solve the problems of Canadian productivity. Instead of doing that, the government has introduced protective measures through a customs tariff change. I wish to refer to items 93902-3, 93902-42 and 93902-82 which deal with increasing the protection on plastics. If we look at some of these items in the bill, it is quite obvious what is happening in Canada. When discussing this matter in his opening remarks, the parliamentary secretary said something about bringing these items into line with other tariff items, but the effect is to increase the protection to an industry which, if it were properly organized, would not require this protection.

If we look at item 26910-1, while it is true the tariff for that particular section of feedstocks is being somewhat reduced from its previous level, nevertheless it seems rather inconsistent and certainly strange that in a country like Canada, with extensive mineral, oil and gas deposits, we should need any kind of protection at all on feedstocks. Some important feedstocks have arrived in the country at a low rate because they are the building blocks or primary materials used in the textile industry and other industries which give us our manufacturing base. To the extent that these raw materials are more expensive than they need be, it makes it more difficult for Canada to compete in the secondary manufacturing industry. Why is this so, Mr. Speaker? Why are we in this position when we have the raw materials? There is certainly an availability of capital. If anything, there has been too much capital poured into this industry rather than too little, yet we find ourselves in the position of requiring considerable protection for the products of the industry.

We have far too many plants serving the domestic market. There is considerable evidence to indicate that this is the case. The reason is that foreign ownership of this industry has, in many ways, aborted the possibility of this industry becoming efficient. Almost every major producer in the United States has established a branch plant in Canada of less than optimum size. This has split the market so badly that none can operate on any kind of an efficient scale.

An article by W. L. Dack in the August 21 edition of the *Financial Post*, headed "Trouble piles up for petrochemical firms", gives an example of the situation in Canada. I quote from this article:

> For instance, the latest world-scale ethylene plants being built in the U.S. have a capacity of one billion pounds a year. But the entire Canadian ethylene market, which has just about reached that level, is being served by five domestic plants. All have unit costs running an estimated 205-25 per cent higher than those from these plants.
>
> In the case of polyvinyl chloride monomer—the base material for one of the largest plastics groups—the unit cost of the world-scale plants can drop as much as 35-40 per cent below that of the smaller units.
>
> "It's obvious that our big expansion splurge in petrochemicals was ill-timed."—

Over the years there has been encouragement given by the Canadian government to bringing investment into Canada without any real concern or thought as to whether that investment would, in fact, benefit the country. The argument was, the more the better. While on the surface it may have appeared we were providing competition by encouraging this multiplicity of plants, that kind of competition has, in fact, been of the worst kind. It has increased our costs away beyond what they should be and has prevented this country from effectively becoming a manufacturing nation on the scale it should be.

The argument is often used that one of the difficulties with our manufacturing industries in Canada is that we do not have access to larger markets, such as the United States for example, and that the problems in the petrochemical industry are related to the access to larger markets. As the article points out and other studies indicate, the Canadian market is more than adequate to have plants of a size and scale compared to the most efficient in the world, but we cannot afford the kind of splintering of the market that has taken place as the result of the numerous foreign owned plants being established in Canada. For over two years, the government has been conducting a study of the petrochemical industry to see what can be done to rationalize the industry. To date, no report has come from the government as to the results of that study.

While this has been going on, the industry is suffering, the consumer is suffering and the Canadian economy is suffering. We think the government has been remiss in trying to cover up its absence of policy by making tariff changes. While we are not opposed to these changes being made now, because we realize the industry does require an element of protection, we would not want to see a continuation of this approach. The government should be trying to face the issue in some more fundamental way. Unless we can eventually arrive at a point at which we can abolish all tariffs and institute free trade, the unity of this country is in jeopardy. For a long time we have heard rumblings of discontent from the west, from the prairie provinces and from British Columbia, directed against the level of tariffs afforded to the manufacturing and processing industries, while western producers must sell their products on a free market without protection. The ties of confederation have been strained considerably over the years because of our failure to make Canadian industry effective to the point at which it would not require tariff protection.

Those industries which remained largely under Canadian ownership were able to effect the transition from small plants to larger and more viable units of production, and to more satisfactory forms of organization suited to the Canadian economic climate, but where industry, particularly manufacturing industry, fell under foreign ownership this process did not take place. Many of the branch plants saw their first interest in serving the parent plant, the multinational corporation, rather than trying to effect re-organization within the Canadian economy.

When we talk about the ill effects of foreign ownership, it is not an emotional thing. It is the result of an analysis of what foreign ownership has done to large segments of the Canadian economy. Instead of increasing the wealth of Canada and improving the ability of this country to compete in international markets, foreign ownership, particularly in the chemical industry, has often led to a much lower standard of living than we have reason to expect. Therefore, while we see no alternative to supporting the tariff changes proposed by the government in the face of

the emergency situation confronting the chemical and plastic industries, we believe it is imperative that policies be developed immediately to ensure that this kind of tariff protection is not required and that our industries will be in a position to manage on their own in a free trade world.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Penner in the chair.

Some hon. Members: Hear, hear.

The Acting Chairman (Mr. Stewart (Okanagan-Kootenay)): I thank the committee for its warm applause.

Shall clause one carry?

On clause 1

Mr. Peters: Mr. Chairman, a number of questions were raised last night by the hon. member for Edmonton West concerning some of the more exotic exemptions. One of the things we are getting into in a big way is the importation of exotic plants from Florida used in substitution for room dividers and in the arrangement of government offices. I note that among these plants are included palms, ferns, rubber plants, cannas, dahlias, paeonias, lilacs—

An hon. Member: You are reading.

Mr. Peters: Yes, and I am mispronouncing some of the names, even when reading. I am not used to speaking about exotic plants. It has been said on several occasions that in some of these cases by establishing a most favoured nation tariff we are eliminating the possibility of some of our own companies producing in this field. My question in relation to the first five items on the schedule attached to clause one is this: how do we arrive at a most favoured nation tariff in relation to these plants; what type of request is made and by whom? I presume these are items which can really be produced in hot houses in our own country.

Mr. Mahoney: The most favoured nation status is one which is achieved by trade negotiations between Canada and other countries and involves the other countries treating Canadian imports in a favourable manner as well. The changes in the customs tariff rates themselves result from representations made by persons interested in importing these particular products.

The whole range of tariff items dealt with in this bill from 7801-1 to 7915-1 includes items which are probably in the same class. They are all horticultural products. The changes are being made because the government has acquiesced in requests made by the Canadian Horticultural Council. The hon. member for Edmonton West made several other points in his very whimsical, lighthearted and humorous speech last night. He intimated that his hon. friend from Halifax-East Hants could probably have done better. I think those of us who listened to the hon. member would be inclined to agree. Be that as it may, he held up to ridicule the various items affecting horticulture which have been proposed in this amending bill following, as I have stated, representations by the Canadian Horticultural Council. I will certainly communicate his views to the Council.

The hon. member asked what macerated paper pads were—item 19947-1. Well, these are pads made of a thick layer of loose, ground up newsprint secured between two sheets of kraft paper, and they are used in the packaging of fruit to prevent it being bruised in transit. This particular tariff change will be of principal benefit to the fruit growers of British Columbia.

• (3:40 p.m.)

The hon. member for Waterloo also inquired why the one-third cent per gallon rate on fractions of petroleum under item 26910-1 was retained. This was the rate recommended by the tariff board. There were objections to a reduction in duty on the part of Canadian refiners. The hon. member for Edmonton West emphasized last night the importance of the petrochemical industry in a neighbouring riding to his. The refining industry is also of considerable importance in the Edmonton district and this is a factor to be borne in mind. In any case this, along with one other change in the bill, is based on recommendations made by the tariff board which the government has accepted without change.

The hon. member for Edmonton West made considerable fun of item 40918-1, being bird scaring devices. He wondered just what the item meant. I can only say that the wording of the tariff describes the devices that will in the future be admitted duty free. The request for this change in the tariff came from the Association of British Columbia Grape Growers, the Canadian Federation of Agriculture, the Canadian Horticultural Council, the Ontario Fruit and Vegetable Growers Association and the Ontario Grape Growers Marketing Board. While the hon. member for Edmonton West was unable to take this item seriously, evidently those organizations do regard these particular devices as being of considerable importance to them in the pursuit of their agricultural vocations.

The hon. member also suggested that items 44043-1 and 44047-1 pertaining to aircraft were renewed each year. In fact, they are not renewed each year. Normally they are renewed for two or three year periods. The renewal proposed in the present bill is for three years. The Air Industries Association of Canada asked that these items be retained on a temporary basis.

Parts for the repair or remanufacture of turbines under item 44210-1 was also questioned by the hon. member for Edmonton West. These parts are presently admitted free of duty when they are used for the manufacture in Canada of turbines. Glass beads was another item the hon. member regarded as somewhat hilarious, item 69805-1. It is an odd coincidence, but the request for this particular tariff change was made by the office of the regional resources co-ordinator of the Human Resources Development Authority of the government of the province of Alberta. The principal beneficiary of this particular tariff change will be Indians and Eskimos for the execution of native crafts.

Metallic trading checks, item 99208-1, are subject to regulation by the Governor in Council, and the reason for this is to ensure that imports of these items will be bona fide souvenir or memorial type coins and will not be the kind of token that could be advantageously used in counterfeit fashion in vending machines.

The question of tariff board reports was also raised by the hon. member and he queried their implementation, particularly with regard to tariff item 93902-3, polyethy-

lene resin. It is anticipated that Canadian production of this commodity will increase about 8 per cent during the current year over 1970, while imports have remained at about the same level. These resins are used in the manufacture of film and sheet pipe, and numerous moulded articles, such as containers and electrical fixtures. They are also used as coatings for wire and cable.

Mr. Peters: May I ask whether the tariff on polyethylene is up or down? There is no indication which it is here.

Mr. Mahoney: This represents an increase of 2½ percentage points, from the present rate of 7½ per cent to 10 per cent. This is another recommendation of the tariff board. The main opposition to higher duty for this product came from producers of polyethylene film who do not produce their own polyethylene. Imports of this commodity in millions of pounds increased from 27 million pounds in 1964 to 98 million pounds in 1970, while exports decreased from 55 million pounds in 1964 to 36 million pounds in 1970. The tariff board report indicated that polyethylene prices had declined by about 50 per cent during the decade of the 1960's, and recent data indicate this trend is continuing. I might point out that United States duty on the same material was 1.6 cents per pound plus 12 per cent in 1971. The European Common Market imposes a 16 per cent duty, which will be reduced to 10 per cent in the future.

Mr. Peters: Mr. Chairman, the parliamentary secretary has mentioned that European Common Market countries enjoy a lower rate than the 20 per cent in our general tariff. Is the 10 per cent rate available only to those who conclude a tariff agreement with us, and in the absence of such a tariff agreement do we revert to the general tariff? In other words, if we imported this material from one of the European Common Market countries, would the rate be 12 per cent—or whatever the figure is—as opposed to the 20 per cent rate in the general tariff?

Mr. Mahoney: Mr. Chairman, I am advised that the general tariff rate is not of any practical application here, and that for all practical purposes imports of this product come from countries to which the most favoured nation tariff applies. All of the European Common Market countries qualify under the most favoured nation tariff rather than under the general tariff.

One other question that was raised last night by the hon. member for Timiskaming was the length of time it is open to an importer to claim a drawback. I am advised that drawbacks may be claimed at any time up to three years after the date of importation.

I think I have responded to all of the questions posed up to this point, Mr. Chairman.

Mr. Peters: Mr. Chairman, we are importing a number of items connected with medicines, insecticides and pesticides.

Some hon. Members: Hear, hear!

Mr. Peters: Mr. Chairman, I see the Acting Chairman is leaving the chair, so may I just say that he has done an admirable job. I know the rump is a considerable distance from the end of this chamber, but I am sure that over the next day or two Liberal members will have an opportunity to get together and make each other's acquaintance.

• (3:50 p.m.)

In referring to the biological products and toxoids found under items 2605-1 and 20610-1, I find that this has been a major problem over the last few years. Certainly it was a major problem in Canada when we introduced legislation to further restrict the number of commodities used as insecticides and pesticides. We were made aware of the fact that many new commodities were available in the United States and in other countries, and that on occasion these were allowed to be imported into Canada in conflict with the restrictions that we have on other products. Some of these commodities are obviously experimental in nature and, I presume, are restricted. However, the people affected are a fairly complex group who are operating almost independently, both in universities and in the research field, and who are fairly remote from the regulations which we make governing, industrial production of the same commodities or of commodities using the same components. I might say that I am reluctant to admit that I do not know how extensive the negotiations are regarding these commodities, but I gather that when we lower the tariff this is done for reasons other than the normal requests sometimes made by individuals who will apply for a permit for a specific commodity. There must be a fairly extensive importation or there would not be a request for this kind of exemption.

Mr. Mahoney: Actually, these two items represent no change in the tariff. They represent a consolidation of previous items. Item 20605-1 brings in an item which used to be 20606-1. They simply represent a consolidation which provides free entry of biological products used to diagnose or treat diseases of man and free entry for the same products used to prevent those diseases. The question of whether they are acceptable for human use in Canada is of course under the jurisdiction of the Food and Drug Directorate of the Department of National Health and Welfare and import permits would be required, but those are not related to the Tariff Act. Similarly, on 20610-1 we have a consolidation of two previous items, one dealing with biological products used to diagnose or treat diseases of animals or poultry and the second one for the importation of the same products used to prevent disease. Here again the Health of Animals Division of the Department of Agriculture is concerned with the safety and acceptability of the product, and permits from them would be required in cases where the item is not itself prescribed as being for use in Canada. But that is not something that the Tariff Act tries to control. All of these deal with items that are permitted free entry.

Mr. Barnett: Mr. Chairman, I did not take part in the discussion at the second reading stage of this bill, but I have some questions which I would like to put to the parliamentary secretary in relation to the terms of Schedule "A", item 41100-1 and 41105-1. Item 41100-1 has two parts. The first refers to machines for sawing lumber, up to but not including the operation of planing, and parts thereof, not including equipment for driving the machinery of the saw mill when used exclusively in saw mills.

The next paragraph deals with machines and parts thereof, for use exclusively in logging, such operation to include the removal of the log from stump to skidway, log dump, or common or other carrier. This proviso, which I understand is a new provision in this bill, removes these items from the application of the tariffs listed in the case of importation into Canada of any goods enumerated if the Governor in Council, on the recommendation of the Minister of Industry, Trade and Commerce, considers that it is in the public interest and that the goods are not available from production in Canada by allowing a remission of the duty specified in the item.

I should like to ask the parliamentary secretary why in the existing tariff structure there is an exception in regard to the machinery used in the operation of planing. Also, why is it that no provision is made in this excepting proviso as proposed in the bill for machinery and equipment used in plywood manufacturing plants and particularly particle board plants, all of which are in the nature of an alternative use of the basic forestry products and in many cases, certainly in the coastal area of British Columbia and indeed throughout British Columbia and in some other parts of Canada, are part of an integrated forestry products complex. Why is it that while there is provision for exemption from duty for saw mill and logging equipment, no equivalent provision is made for machinery used in these other forms of converting plants, ones such as I have mentioned, plywood plants and particle board plants?

Mr. Mahoney: The types of products to which the hon. member is referring are subject to tariff items 42700. They are treated in the same way under that item as is proposed for logging equipment under this item. I might say that the combined coverage of the two items 41100-1 and 41105-1 is essentially the same as the two tariff items they replace, and the rates of duty are also the same as previously. The main purpose of the amendment is to provide for remission of duty on the same basis as under the existing machinery tariff remission program on logging and saw mill machinery which is not available from production in Canada. The new item 41100 covers the machinery, including cranes, for which duty remission may be considered. The other item covers trucks and non-mechanical logging equipment which is not covered by the remission program and will continue to be dutiable at 10 per cent British preferential and 12.5 per cent most favoured nation. Logging trucks are already covered by remission programs established for the automotive industry. I might say that these amendments constitute one of the measures proposed in the budget to assist the forestry products industry whose exports and profits have declined in the past year due in part to the unpegging of the Canadian dollar.

• (4:00 p.m.)

Other measures which will be of assistance to the industry include the progressive reduction of the corporate income tax rate from 50 per cent to 46 per cent as provided in Bill C-259, the removal of the sales tax on anti-pollution equipment as provided in Bill C-260 and the temporary duty on heavy fuel oil as provided under tariff 2906-1 of this bill.

[Mr. Barnett.]

Mr. Barnett: Mr. Chairman, I should like to be sure I correctly understood what the parliamentary secretary was telling me. Under the existing tariff law, in another section which is not in this bill, provision is already there for remission of duty on machinery and equipment for plywood plants.

Mr. Mahoney: Yes, Mr. Chairman. This complements the existing machinery tariff remission program for goods classified under customs tariff 42700-1. The majority of equipment used in the forest products industry is covered by that latter item and is already subject to remission. This brings additional equipment into the remission category.

Mr. Barnett: I thank the parliamentary secretary for that explanation. I am still a little bit puzzled about the situation in respect of logging trucks because as I read customs tariff 41100-1 it refers to machines and parts thereof used in the operation of logging from the stump to the log dump. Now, as I understand the parlance commonly used in a logging operation, certainly on the Pacific coast, the logging dump means the place where the logs are dumped into the water from a logging truck. This is why I am a little puzzled by some of the remarks of the parliamentary secretary about logging trucks being covered under the arrangements in respect of automobiles generally.

I am also a little puzzled concerning what is meant in the new part of 41105-1 in reference to self-propelled trucks. I have discussed this with some people actively associated with the industry and have discovered there is some confusion in their minds concerning just how this will work out in practice, particularly in the area with which I am most familiar. I should tell the parliamentary secretary, if it is not already obvious to him, that I do not consider myself an authority on the tariff law. However, I believe it is important to a good many people in the area I represent that we have a clear understanding of exactly how this will apply, at least in respect of the practise of the industry on the Pacific coast.

I was aware of the other items in the budget proposal to which the parliamentary secretary referred, and I recall the minister announcing them as sort of a package with relationship to the unpegging of the dollar. But it would be unfortunate if there were any confusion concerning the intent of this when it comes to a point of decision in respect of the importation of equipment not available to the industry from Canadian manufacturing sources.

Mr. Mahoney: Mr. Chairman, the intent of these changes is to try to cover in the forest products industry the same kind of equipment and machinery that comes in under the machinery program. I would refer the hon. member to Order in Council 1971/140 dated January 26, 1971 which is entitled "Order respecting the remission of customs duty on off-highway vehicles, parts and accessories and parts thereof". That is the Order in Council which covers the logging trucks and so on.

Mr. Barnett: Mr. Chairman, there is one other question I should like to ask the parliamentary secretary if he has the information available. This arises from the fact that we have a parallel industry on the Pacific coast for forest products north and south of the 49th parallel. I should like

to know whether or not there are any parallel arrangements in respect of exports to the United States of various kinds of specialized logging or sawmill equipment or machinery which may be manufactured in Canada by Canadian manufacturers. Assuming that some of this equipment would be coming from manufacturers in the United States, is there a quid pro quo so far as specialized items of Canadian manufacture are concerned.

Mr. Mahoney: Mr. Chairman, I am afraid I do not have the United States law on this subject at my fingertips. I will certainly inquire into it and give the hon. member an answer concerning the current situation. I am afraid I cannot answer the question at the present time.

Mr. Barnett: I shall be glad to have that information from the parliamentary secretary, Mr. Chairman.

Mr. Peters: Mr. Chairman, I have listened with great interest to the remarks that have been made on this particular item affecting equipment used in the forest products industry. I should like to know two things. First, what have we done in terms of percentage. What was it before? Then, I should like to know if Germany, for instance, the source of a large percentage of the sawmill equipment as well as plywood equipment and so on, is under the preferred tariff and how much of a saving this is. Second, I should like to know how the manufacturers go about making a claim for drawback on items of machinery purchased within the last three-year period.

Mr. Mahoney: Well, Mr. Chairman, this, of course, is a remission item so the saving is exactly the percentage of tariff applicable, which in the case of Germany as a most favoured nation would be a saving of 12½ per cent. Remissions are granted upon the importer establishing that a suitable product of Canadian manufacture is not available. So, the application must be accompanied by evidence that the product could not be obtained domestically. Once that is established, the remission amounts to the full amount of duty which would have been imposed which depends on the country of origin.

Mr. Peters: Is the parliamentary secretary indicating that for a preferred nation there would be a 12½ per cent remission of tariff that had been paid? Is this not the amount which still has to be paid? If you were importing now, you would have to pay the 12½ per cent tariff on this if it were in the preferred class or 10 per cent if it were in the British preferential tariff. I do not gather that these are all reductions of that amount but are reductions to that amount.

Mr. Mahoney: Mr. Chairman, this tariff item does not change the rates. The rates are the same. The amendment here simply provides for a remission which did not previously exist.

The Assistant Deputy Chairman: Shall clause 1 carry?

• (4:10 p.m.)

Mr. Peters: Mr. Chairman, I wish to make an inquiry about item 47825-1 which includes wheelchairs, walkers and other aids to locomotion. I have received a number of complaints concerning the importation from Switzerland of a mobile wheel chair for invalids of a type that is not manufactured anywhere else, but the argument used by the department is that because there are other products available that will assist locomotion, the customs tariff must apply to this import. What is the reason for this? Very few of these wheelchairs will be imported from Switzerland. They are expensive. Why should this stipulation "of a class or kind made in Canada" apply in this case?

It seems to me that we should be prepared to remove this restriction. Because of disability, a person may find that this type of wheelchair suits him better than any other type. I understand the cost of such a wheel chair is $1,200 in Switzerland, and a 15 per cent tariff on top of that is a considerable amount of money. I note that there is no tariff applicable to hearing aids and parts for their repair. I believe the same situation should apply to invalid chairs.

I took up this matter with the officials and they were sympathetic, but they told me their hands were tied by this restriction concerning a class or kind made in Canada. The individual involved told me that he had discovered no suitable wheelchair for his use in Canada, that there were automatic wheelchairs and electric wheelchairs available in Canada but not of the type that he could operate. He had been to Switzerland and discovered a type there that suited him, but he was not able to import it because of the excessive cost to him that the 15 per cent tariff represented. I am sure that such cases seldom come to the attention of the department. Because of the nature of this item, because it has a personal application, there should be an exemption for it. But again this restricting phrase "of a class or kind made in Canada" governs the situation.

I can draw an analogy between this and an operation in a sawmill where people using milling machines are working with chip board. For the plastic veneer that they use in my area they tell me that the only suitable product comes from Germany. They laminate the chip board with it. There is another type of veneer manufactured in the United States, and several other kinds are manufactured in Canada, but there is a considerable difference in the type of product they can turn out using the stuff that they import from Germany. In a non-technical sense, these veneers look very much the same but they do not all perform the same function.

In the 14 years that I have been a member of this House, only one person has approached me seeking a concession with respect to tariff on an invalid chair. I am sure not more than 200 or 300 people throughout the country would be involved in this situation, and a concession should be made.

Mr. Mahoney: Mr. Chairman, the question of a wheel chair, and so on, is one that I know would be of considerable personal significance to anyone who had to use one on a regular basis. I am sure there is a tendency to find a favourite brand and stick with it, even though this might get a person in trouble with the "class or kind" provision in the tariff item. Representations on matters of this nature would certainly be most sympathetically heard by the tax policy division of the Department of Finance, which is the appropriate body to approach initially for changes of this nature. The Department of National Reve-

nue, of course, has no alternative but to administer the act as Parliament delivers it.

The imports in this case are not insignificant, as a matter of fact. Imports of these two tariff items, wheel chairs and so on, were almost $500,000 in 1970. Further, there is a fairly considerable industry in Canada.

On the hearing aid item, Mr. Chairman, hearing aids themselves are duty free, and the item here is to extend duty free entry to repair parts, something which has not heretofore existed. Components, and so on, of hearing aids assembled in Canada initially are free. This is to make sure that the duty free status applies to all the requirements of persons using hearing aids.

The Deputy Chairman: Is the committee ready for the question?

Mr. Peters: I would like to deal with one more item, No. 69200-1 which covers coins or medals for collections. What sort of arrangement do we have with countries around the world that allows us to import these tariff free? I gather from the parliamentary secretary that this is an indication that most other countries have agreed to the same arrangement. The item does not stipulate that a person must be classed as a collector. He could be a purchaser of antiques or of trophies, anything of that nature. What kind of arrangements have been made through negotiations in order to allow entry of these items duty free? I see that this also applies to sculptures, statuary and paintings, if they are worth over $75, and to the production of Canadian artists domiciled abroad who wish to bring back their own works. I am curious to know the rationale for providing this particular exemption, and if it is duplicated in other countries. Is it a fairly general arrangement?

• (4:20 p.m.)

Mr. Mahoney: It is not necessarily a reciprocal arrangement. It is quite possible that other countries do admit such items duty free. The rationale for it is that the items mentioned are the sort of thing considered to be of cultural or artistic value. If the hon. member examines the existing customs tariff he will note that it refers to collections of coins and/or medals. The Department of National Revenue interpreted that to mean that there must be at least two coins or medals, and the amendment is simply to make sure that it will be interpreted that an individual coin or medal could be imported duty free under the same item. The rationale is simply one of culture and of artistic appreciation. I do not know of any reciprocal arrangements.

Mr. Peters: One last question which affects the whole problem of polyethylene products. In our most favoured nation category I see there is a difference in the percentage between the two types. One is moulding and the other one, I suppose, is sheet material. Is an effort being made in this field to protect or to expand our industry which is a fairly new and growing one?

Mr. Mahoney: Yes, Mr. Chairman. The hon. member will note that in item 93902-3, which covers the resin, we are dealing with the raw material itself. Under the new amendment, that will have a 10 per cent duty. Then, we go to moulding compounds, item 93902-42 which in addition to the resin have fillers or colours or some other materials added, and are partially manufactured, so you get to the 12½ per cent level. Again on 93902-82 where you get the polyethylene film and sheet, you are into a fully manufactured item and arrive at a tariff rate of 17½ per cent under the new regime.

Mr. Peters: It should also be pointed out that there are very large increases in the figures for imports given by the parliamentary secretary, from 27 million in 1964 to 98 million. While I am not in favour of increasing the others, Mr. Chairman, I might be in favour of increasing this particular item. Obviously, the 7½ per cent was not curtailing imports and yet our consumption in this country must be in the hundreds of millions. Raising it 2½ per cent may not accomplish what we would like in this field. This is one case where it might be advisable to increase it perhaps 5 per cent in light of the picture since 1964.

Mr. Mahoney: Yes, Mr. Chairman. The figures I gave the hon. member, of course, were pounds of material rather than dollars. I would not want to leave the wrong impression. For example, in 1970 imports of polyethylene resin were $11.3 million. To illustrate the success of the progressive rate, by the time we get to the second item, moulding compounds, imports are down to $1.9 million.

The Deputy Chairman: Is the committee ready for the question?

Mr. Peters: If I could just ask, Mr. Chairman, whether it is possible to move for an increase in this table. I would be prepared to move a motion to increase the percentage by an additional 2½ per cent, as I think this is an industry that can be, and obviously is being, developed in Canada and which warrants extra support. I presume that if I do move such an amendment it will not throw out the balance of ways and means but it might throw out the negotiations. I hesitate to raise the question because I doubt whether it would be feasible.

Mr. Mahoney: Mr. Chairman, before the hon. member puts you on the spot or goes to the trouble of drafting his motion, I might point out to him that the rates provided in this amendment are the maximum allowed under GATT. Any increase, in addition to having the Chair and the Committee accept an amendment, would involve the hon. member renegotiating the General Agreement on Tariffs and Trade.

Mr. Peters: Not before Christmas, Mr. Chairman.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Deputy Chairman: Shall clause 1 carry?

Clause 1 agreed to.

The Deputy Chairman: Shall clause 2 carry?

On clause 2—*Schedule B amended.*

Mr. Barnett: Mr. Chairman, I wonder if the parliamentary secretary can satisfy my curiosity about why fire brick is subject to drawback if it is used in the construction of coke ovens but apparently not for other purposes.

If I want fire brick in a fireplace it is not subject to drawback but if I want to make a coke oven, it is. Is there any reason for this? We have been discussing the question of tile made in Canada. Are we not in a position to produce fire brick for coke ovens in Canada?

Mr. Mahoney: Mr. Chairman, the item here is brick for coke ovens which is of course for use basically in a manufacturing process. So, consistent with the policy under the Tariff Act, where a product is used for manufacturing purposes or processing the tariff is minimized.

Just slightly out of order, Mr. Speaker, but in regard to an earlier question that the hon. member asked about the United States tariff rates on logging equipment, I might say that the current range of United States tariff on importation of logging and sawmill machinery is 6 per cent to 9 per cent and under the implementation of the Kennedy Round on January 1, it will be reduced to a range of 5 per cent to 7 per cent.

The Deputy Chairman: Shall clause 2 carry?

Clause 2 agreed to.

Clauses 3 and 4 agreed to.

Schedules A, B and C agreed to.

Title agreed to.

Bill reported.

• (4:30 p.m.)

The Acting Speaker (Mr. Laniel): When shall the said bill be read the third time?

An hon. Member: By leave, now.

Hon. C. M. Drury (for Minister of Finance) moved that Bill C-261, to amend the customs tariff be read the third time and do pass.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to convey my appreciation to the hon. member for Calgary South (Mr. Mahoney) for his participation in the debate on this bill. I wish to speak about certain changes that take place from time to time in the customs tariff. These changes are negotiated with other countries and when they are brought before Parliament they are fait accompli; there is no opportunity to change them. Under our present method of operating, changes to those agreements would involve changes to Ways and Means resolutions. It seems to me that hon. members should be in a better position, in cases where these negotiations have taken place, to bring about changes that, in their opinion, are advantageous or desirable in certain fields.

When on former occasions I have suggested that some items ought to be exempt, those exemptions were not granted. Several years later exactly the same kind of exemption as I suggested has been granted, often for the very same kind of product I had in mind. When I made my suggestion, there was no way of implementing it. The difficulty regarding our representations stems from the fact that we are remote from negotiations in which Canada discusses tariff changes say, under GATT, or the most favoured nation tariff. It seems to me that we need to learn something of what goes on in these discussions. At present, we must accept the entire change, or reject it. It is a case of all or nothing, and this leads to frustration. However, I wish to congratulate the parliamentary secretary and the officials assisting him for the splendid job that was done in answering questions that I and other hon. members asked.

Motion agreed to and bill read the third time and passed.

* * *

INCOME TAX LAW AMENDMENT ACT, 1971

Hon. C. M. Drury (for the Minister of Finance) moved that Bill C-275, to amend the statute relating to income tax, be read the second time and referred to the committee of the whole.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the purpose of this bill is to implement the following measures announced by the Minister of Finance (Mr. Benson) in his statement to the House of Commons on October 14, 1971: the 7 per cent reduction in corporate income tax; the 3 per cent reduction in individual income tax; and the training on the job program.

The 7 per cent corporate tax reduction and the 3 per cent individual tax reduction will be in effect for the 18 months from July 1, 1971, to December 31, 1972. The training on the job program applies to salaries and wages earned on or after November 1, 1971. The 7 per cent corporate tax reduction has been designed to give Canadian firms greater flexibility in responding to the special difficulties that have confronted them in recent months, and to give them confidence to create sustained growth and job opportunities. It should also aid our corporations in remaining competitive in both domestic and international markets.

The 3 per cent individual tax reduction will also provide an important stimulus to the private sector for sustaining and encouraging increased demand for goods and services. The training on the job program will provide an opportunity for many of our unemployed to acquire more solid skills. That should enable them to take advantage of new employment opportunities. The program should also be of great assistance to employers in preparing for future economic expansion.

The information which has come to hand since the statement that was made in the House on October 14 confirms the growing strength of the Canadian economy. In four consecutive quarters the real value of goods and services produced by Canadians has increased at an annual rate of at least 6 per cent. This rate is substantially in excess of that applying to our long term trend.

The tax reductions proposed in this bill will make an important contribution to this forward thrust of the economy, and that announcement no doubt has already tended to benefit the economy. Their enactment will ensure that the full effect of the tax reductions will be realized in due course, and will result in higher demand, a higher level of investment and a higher level of employment.

The estimated cost of the programs for 1971-1972 is as follows. The cost with regard to the 7 per cent corporate reductions will be, according to estimates, $160 million, of

which this bill covers $75 million; for the 3 per cent individual reduction it will be $125 million, of which this bill covers $80 million, and for the training on the job program, $20 million. For the 1972-73 year it is estimated that the corporate reduction will amount to $175 million; the 3 per cent individual reduction will amount to $225 million, and we have no estimate of the exact cost that will be incurred as a result of the enactment of the training on the job program. The costs of the tax reductions covered in this bill are less than those that were quoted on October 14, 1971, since this bill implements the 7 per cent corporate reduction and the 3 per cent individual reduction for 1971 only. Hon. members will appreciate that the 1972 reductions will be incorporated in a later bill which, presumably, will amend our old friend Bill C-259, when that becomes law.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, getting back to one of these income tax debates is like Alice falling down the rabbit hole a second time and discovering all the strange and interesting characters of Wonderland all over again. I will try to cope with this bill as best I can, although I see that the wonderful, wild and woolly characters which have helped the corporations in the past have been at it again in section 5 of this particular measure. Here we have definitions, and definitions within definitions. This is a very attractive area for someone who is interested in semantics. Perhaps we can get down to the fiscal message.

The parliamentary secretary has obviously followed the example of his boss and has become budget happy. His boss has given us three budgets within the year and the parliamentary secretary has brought before us a mini-budget. We also have heard the announcement that this legislation will not apply to 1972 or 1973, something I suspected after looking at the provisions of Bill C-259. It has no saw-off point. It is only concerned with the 1971 taxation year. Obviously, further measures are necessary.

• (4:40 p.m.)

In a technical sense, I should point out to the parliamentary secretary that the notice of ways and means is an offensive motion in the sense that it covers much more than is contained in the measure we are now considering; not less, but more. The first paragraph, paragraph (1), of the December 17 issue of *Votes and Proceedings* refers to the 1972 and 1973 taxation years. I raise that point as a purist and do not found any substantial objections on it. It is an example of what can happen when legislative purity is cast aside when dealing with income tax legislation.

The parliamentary secretary indicated certain moneys would be pumped back into the economy as a result of the reductions set forth in this particular measure so that the research staffs will have something to do over whatever little holiday we allow ourselves. The research staff of the official opposition has calculated that the savings from these taxes will be in the order of $125 million on personal income taxes, substantially higher than the parliamentary secretary indicated, and $160 million on corporation taxes for a total of $285 million. This is in advance of the figures quoted by the parliamentary secretary. That is merely an indication of the magnitude of the savings, as determined by our own people.

[Mr. Mahoney.]

If the government wanted to pump more money into the economy as a means of overcoming the economic problems being experienced in Canada, it might have paid more heed to one particular area where money available to consumers is used, that is a reduction in the sales and excises taxes. Instead of simply making cuts for the year from personal and corporational income taxes, more would have been achieved if sales and excise taxes could have been reduced. The consumer, particularly the person with a low income, is going to be spending all his money anyway. He is pledged right to the hilt. There is little ability to save when your income is moderate. As was pointed out in the discussion of Bill C-259, that group is always overtaxed. I will not go into that argument again, but in that debate I made the point that the burden of taxation was apt to be in the proportion of 53 to 37, depending on whether you were in the very low or high income bracket. The very poor Canadian shoulders a tax burden in relation to his means of about 50 per cent more than the person in the category of those of us who sit in Parliament.

Some stimulation to the economy might have occurred if the minister had listened to a message we have given over and over again, that is to do something about the tax on building materials.

In dealing with burdens that fall in various areas of the economy, it should be noted that for 1971, of the total income raised by government, personal income tax accounted for 37 per cent or three cents out of every eight raised for the operation of the federal government and corporation income tax bore approximately 17 per cent of the tax burden this year. If the minister was going to go the route of income tax reductions, it might have been wiser to give slightly more in the personal income tax field. I give the parliamentary secretary notice of a technical question I will be raising later. I presume this act will automatically terminate because it only comes into effect for the 1971 taxation-year which is almost over. Perhaps we could have a technical explanation of that so there will not be any difficulties among those who read these acts and wonder what we are doing here.

On behalf of my colleagues and myself, I welcome the provisions relating to the manpower training program set forth in wonderful definitions and subdefinitions in paragraph 5. I pity the poor devil who drafted this bill. It is a complicated task to deal with the taxation law in a very complicated era. While I might chuckle at the drafting of this bill, I think this is important and accordingly welcome.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, there is nothing like a tax measure to reveal the true nature of a political party. The one before us is a wonderful revelation of the true soul of Canada's Liberal party. That party likes to proclaim that all Canadians are the same. They say there are not rich Canadians, nor average Canadians, nor poor Canadians. We are all really the same. That party says it is interested in employees, but invariably acts in the interest of capital.

As the parliamentary secretary stated, the tax bill we are now considering was first announced by the Minister of Finance (Mr. Benson) in October. I remind hon. members that this proposal was intended to provide stimula-

tion for the Canadian economy and to redress the effects of previous stupid economic policies of the Liberal government, economic policies which have resulted in the highest level of unemployment in this country in a decade.

The proposals before us confirm a recent judgment of the Minister of Finance. I will not reveal its source. It is as follows: "The Minister of Finance is the only man in Canada who has never wavered in his conviction that the rich should be made richer and the poor made poorer."

Mr. Mahoney: I rise on a point of order, Mr. Speaker. The hon. member may have noted the publication from which he was quoting, but I missed it. I would appreciate if he would advise from what document he was quoting.

Mr. Broadbent: The document happens to be my notes. The source from which I got the quotation to put in my notes eludes me at this moment.

Some hon. Members: Oh, oh!

• (4:50 p.m.)

Mr. Mahoney: Perhaps it is The Machinist. The NDP research office.

Mr. Broadbent: As a student of philosophy, I have always taken the view on epistomological questions that in terms of truth or falsity the source of a judgment is not important. What is important, and this is what I stress about the quotation is whether or not it is accurate.

An hon. Member: Get on with it.

Mr. Broadbent: Perhaps I should read it to the hon. member in case the parliamentary secretary missed it. "The Minister of Finance is the only man in Canada, who has never wavered in his conviction that the rich should be made richer and the poor made poorer". I would be glad to send that over to the parliamentary secretary. I believe one of the brighter members opposite wishes to ask a question.

Mr. Gibson: The minister of finance of what province?

Mr. Osler: My question is this. Since we are getting such pearls of wisdom from the pen of this unnamed author, could we not be given the benefit of further pearls of wisdom from the same source? Perhaps we could put the whole thing into a book, edited by the hon. member for Oshawa-Whitby (Mr. Broadbent). Then we might have a book we could sell for charitable purposes, possibly to help widows of Members of Parliament. There have been several examples of successful anonymous authorship in the past. I did not know we were allowed to quote anonymous authors here. But if we do so, we might do so for the benefit of some worthy cause.

Mr. Broadbent: I would be glad to have my speech bound and well illustrated with large print so that the hon. member can comprehend it.

The rest of my speech, if I can get on with it, is intended to show that the present measure is something which only the Liberal party could achieve, a bill which is both unjust and ineffective at the same time. Let me deal with the two most important sections. The first concerns a reduction in income tax by 3 per cent. Let us consider some of the people who will be affected at various income levels. Note with what great generosity the government has treated poor people in Canada. A Canadian worker with a wife and two children earning $4,000 a year will save the grand total of $1.09. That will inject a lot of money into the economy. If a man is earning $5,000 and has two dependents, he will save $4.53. At $6,000 he will receive $8.30; at $7,000, $12.24 and at $9,000, $20.55.

Now, these people are consumers. We are talking about injecting money into the economy. We are talking about increasing demand in order to provide more jobs. It is precisely this category of persons about whom we should be most concerned when we are providing additional spending money. I am thinking of the great bulk of Canadians who earn between $4,000 and $9,000. And it is precisely this group who are getting almost nothing from the bill. However, if you are struggling to get by on $30,000, this across-the-board reduction will net you $152.34, and if you should be eking out an existence on a mere $100,000 you will save $757.70.

The point is clear. In this country, the richer you are the more deeply indebted to the Liberal party you should be, because you will benefit more from tax measures of this kind. It is altogether unjust to apply a 3 per cent tax reduction across-the-board, because it saves the millionaire much more than it saves the poor man.

But leaving equity aside and dealing only with other economic considerations, let us remember that the bill was brought in, according to the Minister of Finance, to stimulate the economy. Who is getting the big share of the money? Is it those who will be spending most of their income or is it those in the upper income group? It is those in the upper income group, precisely the people who, when they get the benefit of their tax reduction, will not go out and spend it. They will not inject money right away into the economy by purchasing more goods and thus helping to create more jobs; they will use this saving of, for example, over $700 for the very rich, for investment purposes. It comes as a wonderful windfall for the rich to get more money to invest and ensure more profits at a later date. The economy is not stimulated at all in the initial period. No increase in consumer demand of any significance is forthcoming from the kind of across-the-board reduction for which the government has provided.

There are, in our view, two alternative approaches which could have been taken. If we were really interested in stimulating a marked early increase in demand we might have provided for a 5 per cent reduction affecting only those with incomes of $9,000 and less. It is these people who spend virtually all their income as they take it in. Another approach would have been to use the money the government proposes to allow the corporations under this bill, $160 million for the fiscal year 1971-72, and give it to everyone in the income bracket between $4,000 and $7,000 by way of a complete tax write-off. I have calculated that this would have required about $108 million for 1971-72. Subtract this sum from the $160 million the government plans to concede to the corporations, and one winds up with a surplus of $52 million for which the government could find some other useful purpose. This would have been effective and meaningful in alleviating poverty. Most families in Canada living on less than $7,000 a year are living in poverty and this would have been very

effective for them. At the same time it would have provided a needed stimulus to the economy of the country. It would have been a meaningful method of taxation though it would not be consistent, of course, with the prevailing philosophy of the Liberal party, which is to give disproportionate gains to those in the upper income brackets.

• (5:00 p.m.)

I should like to turn to the second category of "reform," the last word being in quotation marks. I refer to the 7 per cent reduction in corporate taxes. This is even more scandalous, if that is possible, than the across the board 3 per cent reduction in income tax. I wish the hon. member for Duvernay (Mr. Kierans) were in his seat because he made a very fine speech in the House last week, one which, in substance, has been made by members of this party for the past two or three years. It seems that when sinners repent their speeches gets much more attention than when they are made by other people for a number of years.

The 7 per cent reduction in corporate tax is simply a windfall profit for corporations in Canada and has absolutely no connection with increasing the number of jobs for Canadians, which is the stated purpose of this reduction. I should like to know whether the government asked itself if it should provide tax reductions only for those firms that are labour-intensive as opposed to those that are capital-intensive. I would ask the parliamentary secretary whether he thinks that this tax reduction of 7 per cent given to the oil industry of Alberta, an industry that is capital-intensive and which employs very few Canadians, is going to result in any increase in jobs.

The answer to that rhetorical question is obviously no, and it is also no if the same question is asked in relation to many other sectors of the economy. If we are to use a reduction in corporate taxes as an exclusive means of stimulating the economy by increasing employment opportunities, then as anyone with a brain in his head knows you have to distinguish between labour-intensive and capital-intensive industries. It is just that kind of distinction that the government refuses to make.

Quite apart from that distinction, one would have thought that instead of just giving hundreds of millions of dollars to Canadian corporations we would also have included in this particular tax measure the requirement that before these corporations receive a tax benefit of 7 per cent they should be able to show, firstly, that they have expanded their industry by a certain percentage within a given period, and secondly, that such expansion had resulted in the creation of additional jobs. After all, this is what the bill is supposed to be about. It is not supposed to be a bill that simply gives money to corporations; the stated purpose of the bill, as announced by the Minister of Finance in October was to stimulate the economy. Why then does the government not tie tax benefits to action that increases employment? No such provision is contained in this bill.

Once again we are simply squandering public money. As far as the corporate sector of the economy is concerned, we are giving away $160 million in the fiscal year 1971-72. The Liberal party of Canada, as the hon. member for Duvernay eloquently and very adequately documented last week, has been responsible for selling out a good part of the Canadian economy during the past decade. In addition to selling out the economy, the government is selling out to existing corporate owners, whether foreign or domestic, the real financial possibilities that will eliminate the prospect of hundreds of thousands of Canadians ever rising above the poverty level. It would have made much more sense, as I said a minute ago, for the government to have given this $160 million to all taxpayers within the $4,000 to $7,000 income brackets. That at least would have taken a lot of the people off the poverty line. There is no guarantee whatsoever that the corporate sector of the economy will provide more jobs as a result of this particular tax proposal.

I shall not take more any more of the time of the House and want to conclude by briefly summarizing my two points. The claim is made that this reduction of personal income tax in the amount of 3 per cent is both just and provides a stimulus to the economy. In fact, it does neither. Secondly, it is alleged that the 7 per cent across the board corporate tax reduction will provide needed stimulus of the economy and more jobs for Canadians. I suggest it will not do either of these things. In short, my view and the view of the New Democratic Party is that the bill fails to do what it is intended to do. All it achieves is the perpetuation, indeed the aggravation, of existing inequalities.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I rise with some apology to my colleagues to my extreme left who obviously want to extend the debate on Bill C-275. I must say that having listened to the hon. member for Oshawa-Whitby (Mr. Broadbent) I am hesitant to make any remarks since I am sure he is talking about a different bill from the one before me. I must say as a compliment to him that I have never heard any member stand on his feet for so long to say so little, but with obviously so much dedication to his point of view. I say that to him in the full meaning of the Christmas spirit. I was hoping that my good friend, my esteemed colleague from Saskatoon who is in charge of the Wheat Board and who also represents the unemployed of Canada, would make a few remarks on this bill because I am sure there are many points of view he would like to expound upon in connection with the manpower training program.

I want to point out to the House that this bill enables us to speak about the manpower training program, since from clause 5 on it relates directly to that program. A few days ago the minister issued a press release to the Canadian people on the benevolent results achieved by the manpower training program during the last year. I remember pondering for hours the results of the program and thinking back to my former days as a student when I did a little bit of research. I found it absolutely impossible to draw the same conclusions as the minister did on the basis of my research evidence. But, of course, I do not have the capabilities of the minister and I am not as good at figure skating or stick handling or any of the other acrobatic skills which go with being a minister in the present cabinet. So immediately I put aside my apprehension and deliberately avoided trying to make further comments on these programs to which he was referring.

• (5:10 p.m.)

In this bill we are involved with legalizing the agreement to enable industry to take advantage of a particular program initiated by this government. I am very interested in manpower training and in anything to do with human resource development. I have always been of the opinion that Canada must become involved to a greater extent in the development of the human resources of this nation. I think we are the only major nation in the world which is not involved, through some government department or some form of program, in manpower training. Our neighbours to the south have an office of education. To my knowledge every European country but one has national offices of education, national offices of manpower training and national offices of human resource development.

I do not have the exact information at my fingertips, but in Canada we have 15 or 20 types of programs in which the federal government is involved in one way or another to develop our human resources and our manpower potential. I am always amazed that the Prime Minister (Mr. Trudeau)—I am sure that my noble colleague who will rise to speak when I complete my remarks in a minute will elaborate on this—is so defensive when questions are put to him regarding the need for Canada to become more actively involved in education in co-operation with the provinces. I hope that one day—and this is a personal expression of opinion on my part—Canada will have a national office of manpower development or human resource development, or education so that there might be co-ordinated effort of the provinces together with the federal government with regard to training and education. Today, any politician who brings his family to Ottawa, or anyone who has had the experience of engaging in the mobility of the 1970's, must realize that there is a great need for a co-ordinated effort among the provinces in the field of education. Perhaps my comments are a little more general than the bill entitles me to be, but this is a point that must be developed. I hope that in the not too distant future the provinces can get together with the federal government to develop some kind of major strategy for the development of our human resources, our most valuable resource in Canada.

The bill before us deals with incentives to industry to assist people to acquire particular skills. Two methods are outlined in the bill. One of them is the direct payment method of manpower training under which the federal government will make direct payments to industry to help an individual to acquire a particular skill or trade. This is an industry program. The other method will involve the government in giving a tax incentive to the industries. It is referred to in the bill as the manpower training program tax incentive method. The government will give an incentive to industries to assist people to acquire new skills. What it means is that the federal government will make a partial contribution to the training of an individual. It also encourages the industry to train that individual. The federal government will grant a 60 per cent write-off of the cost to the individual or the company involved if they take part in the program.

This is basically a good concept, and I think it should be extended. My major concern—and this is something to which I referred a few days ago in response to a statement on motions by the minister—is that the program basically caters to the more industrialized parts of the nation. There is nothing wrong with it. We need this kind of program to assist industry in Toronto, Montreal, Winnipeg, Vancouver and so on. But the danger and weakness of the program is that there are tens of thousands of small Canadian communities where individuals cannot be placed in some industry training program. Consequently, this program is very discriminatory because it means that the vast majority of our 22 million Canadians cannot avail themselves of this program. This is a multimillion dollar program which basically caters to a very small segment of the Canadian population. In Canada, most people who enjoy the affluence of Members of Parliament, the affluence of executive assistants, the affluence of ministers and of the well-to-do, do not realize that vast segments of our population have not acquired the technical capability to carry on in this industrial age in 1971. They are not equipped to operate with any degree of competence. Again, I should apologize for not having the statistics at my fingertips.

Mr. Broadbent: Don't worry about the facts, John.

Mr. Lundrigan: The hon. member for Oshawa-Whitby (Mr. Broadbent) envies me, I am sure. Right now I am looking at one of my favourite colleagues, the hon. member for Timiskaming (Mr. Peters) who must certainly envy me. Yesterday he made nine speeches and he is eager for the opportunity to rise and to place on record some of his finer points of view. I will certainly try not to delay that process for more than a few minutes.

In the parts of Canada with which I am more familiar, I know people who grew up in the depression years who were lucky if they had any kind of exposure to formal education. Today, these people cannot take part in any training program; they cannot get into upgrading programs and, if they do, they are faced with very serious restrictions, such as the one which requires a person to be in the labour force for three years before qualifying for any of these training programs. I contend that this regulation is very discriminatory. There are many thousands of young Canadians who have been out of school for a number of years and who have not been able to enter the labour force because of the serious unemployment situation. The end result is that today they are not entitled to take part in some of the manpower training programs because of the very restrictive and discriminatory regulation which requires them to be in the labour force for three consecutive years.

Another regulation which is very discriminatory and about which I and other hon. members of the House are concerned is that an individual can only take part in these programs for 52 weeks. I have seen many examples of this myself, and since my involvement as an observer of the Department of Manpower and Immigration for the last two or three years I have had many occasions to talk with people. I have heard representations from various people in various provinces who are discriminated against because they are only permitted to have 52 weeks of manpower training. Frequently an individual who has taken part in a training program continues to find difficulty in entering the labour force. Consequently, there must be some flexibility to allow young Canadians in

particular to avail themselves of more extensive training through these manpower programs.

Another point that I want to make is that the study which was released a couple of days ago by the Minister of Manpower and Immigration (Mr. Lang) was the most inadequate and costly study that I have seen for a long while. This was a study carried out by the minister and by a number of his officials. It was not scientifically based. The conclusions about the training program and the increase in employment opportunities were not valid conclusions. I can tell you for a fact that if any person with scientific or research knowledge analysed this study he would have to toss it in the wastepaper basket because of the conclusions reached. These conclusions were reached without proper foundation. They were not justified on the basis of the information available. The fact is that the study was incomplete and not scientifically conducted. I challenge the minister to look at the report of the Economic Council of Canada and of the Poverty Committee and try, in co-operation with the Dominion Bureau of Statistics which now is referred to as Statistics Canada, to conduct a scientific study of the manpower training program and the relevancy of this report.

• (5:20 p.m.)

I have had an opportunity to read in some detail a study conducted by the Fisheries College of St. John's Newfoundland. The Fisheries College is one of the most outstanding institutions in the world in marine affairs. It is an outstanding institution which is growing and developing daily. I believe it has the support of every elected member from the province of Newfoundland. These people did a study of the training and employment opportunities. They concluded, after spending a period of about six months studying the opportunities, that they were concerned with the lack of a positive co-relation between the training program and the opportunities available to these people after completing the program. This certainly points out to me the need for much more research. I know a number of people will say we have had enough research already in various fields. We must revise our manpower training program so that industry, in the broadest context, can bring people into industry and therefore help alleviate the unemployment situation. We must have a training program which is related to job opportunities if we are to have much more employment than we have had as a result of the manpower training program.

There is a matter which I have wanted to raise in the House for a number of days but did not have the opportunity to do so because of the ineffectiveness of the 40 minute question period. As a result, members of Parliament are not able to hold the government accountable for its behaviour. This is especially true in view of the absence of ministers which, so far as I am concerned, is illegal. Back in 1967 a job vacancy survey was started. It was a very forward step. An effort was made to ascertain the various vacancies across Canada, and the type of people presently trained and unemployed, in order to determine how we could integrate our manpower training program, our vocational training program, our adult program and our federal and provincial programs in some way with the needs of industry. That program began at a cost of $3 million to the Canadian taxpayers. There were

[Mr. Lundrigan.]

106 men involved. I should like someone to put a question on the order paper, perhaps I should do it myself, concerning how many people were involved in this program for about three or four years and the salaries they received. The cost was in excess of $3 million, yet the government refuses to make the result of this program public.

Sometime in October as a result of a question placed on the order paper by one of my colleagues, the government said it would have the result of the job vacancy survey released before the end of the year. It is obvious to me that the results have been known for several months. It is also obvious that the results have been suppressed. They are being used by the various government departments but are not being made public for the use of the provinces and of members of the opposition in making speeches on this important subject. We want those results so that we can ascertain where the vacancies are in Canada. The Prime Minister says there are lots of jobs but that the people are too lazy to avail themselves of them. We would like to know what the results of this job vacancy survey were. We would like to know, for example, if it is a fact that in the last three years the number of vacancies in Canadian industry has been cut in half. I say the government of Canada has an obligation to the Canadian people to make that document public immediately.

I am going to raise a point which has not been raised before. I think some of my colleagues to the left will want to ask questions on this subject before they begin their sojourn in their constituencies. I had a question for the Minister of Industry, Trade and Commerce (Mr. Pepin) but I have not had an opportunity to ask it because he has been so preoccupied with answering questions from all my colleagues about the serious situation in the pulp and paper industry. I did not want to floor him with other inquiries. We have asked questions about the long-term unemployed Canadians. We have, of course discovered during the last few days that the Dominion Bureau of Statistics, which I like to call it, has conducted a very detailed study of people unemployed for periods longer than six months. We have found that this information about people unemployed for longer than six months has been made available to the government. When our competent people in the research office have inquired of DBS they have been refused this type of information.

We want the information. We want to know how many Canadians have been out of work for longer than six months and the effect this had had on the municipalities. DBS, for some reason or other, perhaps because of orders from the government department responsible for the administration of that office, has refused to give this type of information. When we talk about participatory democracy one almost has to be close to the government in power today in order to realize what kind of a statement that is. Personally, I have been involved for only a little while in politics and it is not the sort of thing to which I aspire. I do not aspire to a 35 or 40 year career. However, I have never seen a government which is supposed to be dedicated to working on behalf of the Canadian people and the Canadian workers which is so surreptitious and sneaky. Today, documents are being refused because the government feels it can use them to its own advantage in a sneaky and surreptitious manner. I would like to bring

this up in the House in more detail, when people are here to hear about it.

An hon. Member: Do it now.

Mr. Lundrigan: The government of Canada is gypping the Canadian people—

An hon. Member: Right.

Mr. Lundrigan: —by keeping a document buried in its closets which cost the Canadian people $3 million. The Canadian people paid $3 million to find out where all those jobs are that the Prime Minister talks about.

In 1967, before this Parliament started, the government had instituted this program to determine the manpower opportunities and job vacancies. The government has had that document in its possession for the past six months. This report has been used by various departments for propaganda purposes. It has not been made available to the Canadian people. What kind of participatory democracy are we talking about? The Canadian people will think this is a disgrace, particularly when they learn of the cost of the document.

• (5:30 p.m.)

I will conclude by saying I hope other hon. members will have an opportunity during the few remaining minutes today to refer specifically to the manpower training program. I know what my friend, the young hon. member from Saskatchewan is going to say. He will be talking about the relevancy of the Department of Manpower and Immigration to educational opportunities in Canada. He will be challenging the Minister of Manpower and Immigration (Mr. Lang) to point out to the Prime Minister the need for some co-ordinated effort by the federal government and the provinces in the area of manpower training and the whole field of educational activity. He is an educator. I recognize him as an intelligent parliamentarian, an active parliamentarian. I will be listening carefully to the recommendations he will be making to the Prime Minister and to the department to try to get some co-ordination of effort between the provinces and the federal government in the area of human resource development.

Mr. Jean-R. Roy (Timmins): Mr. Speaker, when discussing this budget measure I would like to deal with the taxation situation of prospectors which will drastically change following adoption of the tax reforms. It will drastically change by virtue of the fact that prospectors presently are exempted from taxation when they receive revenue for the sale of mining property. Under the new tax proposals this revenue will be taxable in 1972.

Up to now the revenue that they derived from the sale of property was considered a capital gain. This was recognized in the white paper which said:

> For many years the act has continued a provision which specifically exempts from tax the proceeds received by a prospector or a grubstaker on the sale of a mining property. This provision was intended to make it clear that the government viewed this type of gain as a capital gain which under the existing system would of course be tax-exempt. Under the new proposals capital gains are to be taxed and this exemption would therefore be repealed.

I would like to point out the difficulty that this repeal will create for the prospector who, by virtue of the type of work he does, and the time limit that is applicable to his earnings and revenues, can go for years without making any really worthwhile revenue. I am referring to the capital gain aspect of his livelihood.

The Standing Committee on Finance, Trade and Economic Affairs recognized this difficulty, and in their 18th report stated:

> We further recommend that taxpayers should be allowed to establish a "bank" of earned depletion as at the start of the system by calculating past exploration and development expenditures less any depletion allowed. There would have to be strict provisions to prevent trafficking in dormant depletion credits.
>
> This proposal is approved for grubstakers. However, we recommend that prospectors continue to be treated as under the present Act.

Here, the committee made a distinction between grubstakers and prospectors.

When the Senate Banking, Trade and Commerce Committee made its report on the white paper, it also recognized the difficulty that this would entail for the prospector, and stated:

> Your Committee recommends against the implementation of proposals in paragraph 5.45 of the White Paper to withdraw an exemption heretofore enjoyed by prospectors and grubstakers under section 83 of the Income Tax Act.

Finally, in the "Summary of 1971 Tax Reform Legislation" it is stated:

> The legislation also provides that no amount will be included in income when individual prospectors and grubstakers sell mining properties to a corporation for shares of that corporation. The individual will be considered to have acquired the shares at no cost and will therefore be taxed on one-half the proceeds of eventual sale of the shares under the normal capital gains rules.

When a prospector receives shares as revenue from the sale of mining property, the tax legislation that will be in effect in 1972 clearly recognizes the capital gain aspect of that type of a revenue. We cannot see how the minister can possibly differentiate between revenue that is cash and revenue that is shares. It seems to me that the capital gain aspect is proved by the fact that there is an increase in value in the capital that is invested. Whether this increase in earnings is paid in money or shares, in peanuts or what-have-you, has nothing to do with it.

Therefore, I would like to make an appeal to the minister and to the government that when they are considering the amendments the minister has promised to introduce early in the new year to the tax reform legislation that will take effect on January 1, 1972, one amendment will deal more fairly with the capital gain aspect of prospectors' earnings. The minister should accept the recommendations of the standing committees of the House and of the Senate, and meet the representations made by prospectors, mining firms and groups all across the country. The fact that there are very few prospectors in Canada should not deter the minister from restoring the situation to what it was, as recommended by the two standing committees.

Finally, I think the minister should recognize the value of the time spent by a prospector in developing properties. An individual prospector who develops a property is not working for anyone else, does not have access to weekly earnings or salary of any sort, and depends on the once-in-a-lifetime sale of that property for his livelihood. I

suggest it is time that prospectors be given the relief to which they are entitled.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, Bill C-275 essentially deals with two different items. It deals with a reduction in income tax for individuals and corporations, and also with certain payments for manpower training. In view of the fact that I gave my notes on manpower training to the hon. member for Gander-Twillingate (Mr. Lundrigan), I will now address myself primarily to the tax reductions for individuals and corporations. The hon. member for Gander-Twillingate went on at great length about manpower training, and for that reason I will try to stick to the other point. When the hon. member for Gander-Twillingate first started speaking, he said he did not understand the approach of the hon. member for Oshawa-Whitby (Mr. Broadbent), but I hope that after hearing me and a couple of other members of this party, he will be enlightened.

On October 14 the Minister of Finance (Mr. Benson) introduced a number of new measures, one of which was a 7 per cent cut back in corporate income tax and the other a 3 per cent cut back in personal income tax. As the hon. member for Oshawa-Whitby said, we think the way he is pursuing this tax reduction is unfair, inequitable and regressive. What is before us, Mr. Speaker, is nothing less than a gift to those who have large incomes, and also a gift to corporations. The Minister of Finance is a great big jolly Santa Claus and on his back he has a big bag full of goodies, but only for the richer and more wealthy people in the country. This is the type of society this government has been building. When they talk about the just society they do not refer to the working people, the small businessmen and the farmers, but just the rich people of Canada. That is why I am rising to take part in this debate, and why our party is concerned about Bill C-275 which is just another piece of regressive legislation.

• (5:40 p.m.)

My riding is made up primarily of farming people, working people and small business people. I know most of them realize that the tax system in Canada today works against them and makes their daily lives more difficult. This bill only perpetuates the tax system which was supposed to help them. The reduction in personal income tax is uniform right across the board, a 3 per cent reduction for everyone regardless of income, while the corporation tax is reduced by 7 per cent.

I cannot help thinking of the speech given in this House on December 16 by the hon. member for Duvernay (Mr. Kierans) when we see the inequity in the bill before us. He made the comment that in recent years the government has been gaining more revenues from the individual than from the corporations in this country. He said that in 1961-62, 35 per cent of all federal government revenue came from taxes on individuals. Last year, it was 41.4 per cent. Over the last ten years, more government revenue came from individuals than ten years before. Looking at corporations over the same period, we see that they pay less now than they did in 1961-62. According to government figures, in 1961-62 government revenue from corporation taxes was 23½ per cent while last year it was 19½ per cent. This illustrates the inequity of the tax system in this country, an inequity which is perpetuated and accentuated by the bill before us. Certainly the economy needs to be stimulated, but this must not be achieved by giving extra privileges and gifts to those who already enjoy privileges under the existing system. What we should do is give extra privileges to those in the lower and middle income groups and arrange for more government spending. This would generate activity in the economy and a higher employment rate which would benefit everybody. As it is now, we know that the economy works against the great majority of people in Canada.

[Mr. Roy (Timmins).]

Earlier this afternoon the hon. member for Oshawa-Whitby quoted some statistics which I think should be emphasized. Bill C-259 reshuffles the income tax rate, and I would like to show how this affects a married taxpayer with two children under 16 years of age who earns $4,000 a year. After passage of the new tax bill, he will pay $73 in income tax. If the bill before us today is passed he will pay 3 per cent less which amounts to $1.09. The man in the same circumstances who earns $30,000 a year will pay $152.34 less and the man earning $100,000 a year will pay $757.70 less. This shows the regressive nature of this tax bill before us today. If you happen to be wealthy, the amount of the reduction will be greater and you will pay less tax to the government. This is not the way to stimulate the economy, nor is it the way to help the average and middle income earner in the country. As I said, the bill synchronizes beautifully with the line of the tax amendment passed by the House in these last weeks.

Now, I should like to spend a few moments pointing out what the tax system does to a number of people in this country. Let us consider the positions of three single men who have no dependents, each earning $10,000 a year after the passage of the tax reform bill and the bill before us. The first man who earns $10,000 through wages or salary is going to be taxed $2,285 per annum. The second man, who earns $10,000 through capital gains is going to be taxed $844 per annum. The third man, who earns $10,000 by dividends from corporations is going to be taxed $193. Is this equity or neutrality in the tax system? I suggest it is not and that we should make a value judgment. If you earn money from capital gains or dividends you are worth more and are taxed at a lesser rate than if you earn money in a factory, on a farm or in a small business. This is the type of inequity on which we based our tax system, and Bill C-275 is just an extension of it which also favours those who have money over those who do not.

Another section of the bill before us today reduces corporate income tax by 7 per cent right across the board. There is no consideration of whether a corporation is large or small, whether it is labour-intensive or capital-intensive, foreign controlled or Canadian controlled or of the type of industry involved. As a result, I believe that this 7 per cent reduction will be nothing more than a "rip off" at the taxpayer's expense. Here again the tax system as it relates to corporations and industry, is inequitable. The hon. member for Duvernay pointed this out quite brilliantly when he spoke in this House earlier in this session.

Statistics published by the Manitoba Department of Finance verify my point. They show the taxes paid on profits and an average of the profits made by certain businesses in this country over the last ten years. As I

said, the bill before us has a uniform 7 per cent reduction in income tax for corporations right across the board, regardless of the type of company involved. These figures show that in the last ten years retail merchants paid taxes on 90 per cent of profits; wholesale companies paid taxes on 87 per cent of profits; the construction industry paid taxes on 77 per cent of profits; manufacturers paid taxes on 65 per cent of profits. Then, we get down to the mining companies, and we see that they paid on only 13 per cent of profits. Oil and gas companies have paid taxes on 5.7 per cent of the profits they have made in Canada in the last ten years.

And what do we have before us at present? We have a bill that will reduce corporate income tax by 7 per cent across the board, regardless of whether the company is an oil company, a mining company, or a retail company. I suggest that unplanned, ad hoc policies like these will, in the long run, work against the good of the Canadian economy and against increases in employment. They are not good for Canadians in general. Yet this is the type of planning that has occurred in this country ever since this government took office in 1968. It went on long before that. We need a tax system that is fair and equitable, so that the person who makes $10,000 from stocks and bonds is taxed on the same basis as the man who makes his living by working in a factory. We need a progressive tax system, so that the man making $100,000 pays a proportionately greater amount of his income in tax than the man who makes between $4,000 and $5,000. We will not solve many problems such as unemployment, poverty and those connected with regional development that we talk so much about unless we introduce a more equitable tax system in Canada.

• (5:50 p.m.)

This bill is not taking us in that direction. It is unfair, regressive, and will not stimulate the economy and provide jobs, which is what the minister may want. It is nothing but a handout to the wealthier in Canada; it is nothing but a handout to mining corporations, oil and gas corporations and other corporations which do not need handouts. Many of these corporations do not provide many jobs. For that reason, I appeal to members of the House to thing about this seriously. I appeal to members of the Conservative party not to jump into bed with the government again, but to stand up for the ordinary person of this country, for the average working man, and to speak out against this bill which is regressive and inequitable.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I believe that by now it has become evident to the House that we, over in this corner, are more concerned about the principle of the bill than about the mechanics or the dollars and cents and percentages involved in the tax bill.

An hon. Member: Careful now.

Mrs. MacInnis: We are concerned because this bill involves our whole approach to a more just and fair society. We intend to make this point as we go along. This bill cannot be considered apart from other bills passed by this government. This tax bill must be considered in conjunction with the government's approach to society. That is how we look at it; but that is not the view of the government.

I was quite impressed with certain passages appearing in a transcript of an interview that the Prime Minister (Mr. Trudeau) granted to James Reston of the New York *Times* on December 21 this year. I want to read a passage from this transcript. The entire transcript is exceedingly revealing of the philosophy that is behind the Prime Minister's thinking and, by extension, behind the thinking of the entire government. I do not think there is any secret about whose philosophy is all pervasive in the government ranks. The Prime Minister said:

People will look for the security which this system cannot give and they will try to find it in less free avenues in politics.

So that's my underlying assumption when I look at the world, when I look at the problems which exist elsewhere, and I think in a sense that can explain a lot of the troubles we're having, not only in the sub-continent or Northern Ireland or in the black ghettos or the conflicts in Canada. And from that follows also, I think, the only way of avoiding that increasing gap between the desire, the expectation, and the fulfillment. It's by repeating the truth to the people and getting them to participate in the decision—not in order that it be better, but in order that they realize for themselves that their expectations cannot be fulfilled and that the problem is more difficult of solution than the dreams would reveal. Now, this may not be clear to you.

Unfortunately, it is abundantly clear to many of us in this House, and the Prime Minister's attitude has been revealed to us over a long series of months and through legislation. The Prime Minister is saying to the people: You cannot aspire to a better kind of life than you are now living, and the job of Members of Parliament is to go out among the people and tell them that they cannot have it.

An hon. Member: Nonsense.

An hon. Member: Give it to them, Grace.

Mrs. MacInnis: Listen, I do not mind heckling from the other side, but I object to heckling from my own side. It's too noisy.

Some hon. Members: Oh, oh!

Mrs. MacInnis: We have better hecklers over here. What did the Prime Minister say? Hon. members can read text for themselves, if they wish. He says that the trouble today is that people believe that they can have a better life. Well, they cannot have a better life and it is up to parliamentarians to go out among them and tell them they cannot have a better life. Surely, hon. members realize that this process is going on now. May I quote one more little passage. The Prime Minister said:

You know, in days where the British parliamentary system invented the system of paying the leader of the opposition and calling him Her Majesty's loyal opposition, it was because there wasn't enough press and television and union groups and university groups and so on. But now in a sense everybody is making it his job and it is I'm afraid pushing that society towards a breakdown.

In other words, the opposition is merely a vestigial remnant of parliamentary democracy and should be stopped. Well, it is not going to be stopped.

An hon. Member: You said it; he did not.

Mr. Speaker: Order, please.

Mrs. MacInnis: May I call it six o'clock?

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 23, 1971

The House met at 2 p.m.

PRIVILEGE

MR. McGRATH—STATEMENTS MADE OUTSIDE THE HOUSE BY MINISTER OF REGIONAL ECONOMIC EXPANSION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a question of privilege. I might say at the outset that it concerns the Minister of Regional Economic Expansion. Yesterday, during the question period, I directed a question to the Minister of Regional Economic Expansion concerning his administration of the Regional Development Incentives Act, a duty entrusted to the minister by Parliament. This duty entails the spending of public funds which were voted by this House; and, for disbursing these public funds the minister receives a salary, also voted by this House and paid out of public funds.

My question was put because of allegations made by a Quebec labour organization and the minister's response through a newspaper. Your Honour ruled the question was such that the minister should indicate whether he would make a statement on motions. The minister neither answered my question nor complied with your ruling. Instead, in my opinion, he twice abused the Standing Order on Privilege before Your Honour could intervene to get the floor in order to make what I consider to be abusive and evasive comments.

On a supplementary, the member for Crowfoot asked the minister to assure the House that, in administering these public funds, he was not subject to conflict of interest. The minister at that time refused to seek the floor to give that assurance. Following these proceedings in the House the minister, outside the House, yesterday made a statement to the public media on these proceedings in the House. I do not comment on these vicious allegations, Mr. Speaker, for you have ruled that political argument made outside the House cannot be raised as a question of privilege in the House.

However, there is one allegation that does not fall into this category. It is a statement that, with respect to proceedings in this House, can only be made in this House. The minister demanded that allegations of patronage against him be substantiated or withdrawn. That statement is a commentary on yesterday's proceedings and a demand that the allegations of patronage against him be substantiated or withdrawn. The substantiation or withdrawal of statements made in the House is something that can only be done in the House and, in this case, on the initiative of the minister himself. Under our Standing Order 17(1), the minister should have made that demand yesterday. He did not. He sat mute in his seat. The minister, therefore, in his statement outside the House, reflected on the action of members in this House, for which he had a remedy—if he had a grievance—when he said that the comments or questions by members were a "bunch of lies".

If Your Honour confirms this breach of privilege, I will move, seconded by the member for Peace River:

That the matter of this question of privilege be referred to the Standing Committee on Privileges and Elections.

Hopefully, the minister will make a statement to clear up this matter.

Mr. Speaker: The hon. member for St. John's East has given the notice required under the terms of Standing Order 17. Since receiving this notice the Chair has given serious consideration to several aspects of the matter raised by the hon. member. As the House knows, the duty of the Chair is limited to determining the procedural question whether or not a prima facie case of breach of privilege has been raised. In reaching such a decision the Chair must take into account not only the Standing Order but also long established practice in relation to parliamentary privilege.

• (2:10 p.m.)

An analysis of the hon. member's statement indicates there are two aspects which he wishes the Chair to consider. The first relates to proceedings which took place during the question period yesterday. I have looked at this very closely and I have been unable to determine that there has been a breach of parliamentary privilege on the part of the minister. On this point, I will only comment that according to the long established practice of the House an incomplete or unsatisfactory answer to a question or, indeed, the refusal of a minister to reply to a question cannot be regarded as a breach of parliamentary privilege.

The second aspect of the hon. member's presentation has reference to statements made outside the House by the hon. Minister of Regional Expansion. As the hon. member for St. John's East has pointed out, there are precedents to the effect that such statements cannot found a question of privilege. May I suggest that the Speaker cannot be expected to monitor, or audit, or question or, indeed, to censor the many statements made by hon. members outside the House relating to the conduct of our proceedings. Were it otherwise, the Speaker would be a busy man indeed.

I should also add that in my view the motion proposed by the hon. member is not procedurally acceptable since it merely proposes the reference to a committee of—and I quote his own words—"the matter of this question of privilege". This could hardly be an acceptable motion for debate by the House at this time or by the committee in due course. In the light of these considerations, and taking into account the precedents and practice to which I have referred, I do not think the Chair can rule there is a prima

facie case of privilege on which we might spend the rest of the day.

ROUTINE PROCEEDINGS

MANPOWER

TABLING OF JOB VACANCY SURVEY REPORT

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I wish to table under Standing Order 41(2), the Job Vacancy Survey Report, in both official languages.

* * *

BUSINESS OF THE HOUSE

LENGTH OF ADJOURNMENT FOR CHRISTMAS

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I am really rising on a point of order to indicate to the House that, instead of dealing with either of the motions which have been put on the order paper in my name, I should like to seek consent to make another and a simpler motion. I will read the motion and then I would explain the purpose of it and ask for consent to move it. If consent were given, we could then deal with it. It reads:

That following Royal Assent this day the House shall stand adjourned until Tuesday, December 28, 1971 at two o'clock.

At the moment we are somewhat uncertain as to when it will be possible to complete the remaining item or items of business before the House, so it would be inappropriate for the House at this time to decide the questions contained in the major adjournment motion which is on the order paper. So to avoid premature discussion on that point I will put this simpler motion which would have the effect of adjourning the House today following Royal Assent and bringing us back on Tuesday next.

I have felt a certain amount of anguish in deciding whether to ask the House to come back on Monday or on Tuesday. In view of the transportation difficulties which members from distant points would encounter in returning to the House by two o'clock on Monday, I decided we would probably all be better off if we came back here on Tuesday at two o'clock, and for this reason I make that change. So, if I am given consent, I would move that following Royal Assent this day the House should stand adjourned until two o'clock on Tuesday, December 28, 1971.

Mr. Speaker: Has the minister leave of the House to present this motion?

Some hon. Members: Agreed.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Mr. Speaker: There is unanimous consent. I will put the motion which is as follows: The President of the Privy Council (Mr. MacEachen), seconded by the Minister of Manpower and Immigration (Mr. Lang), moves:

That, following the Royal Assent this day, the House shall adjourn and stand adjourned until Tuesday, December 28, 1971, at two o'clock in the afternoon.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will not have much to say. I start off by pointing out to the minister that the anguish to which he was exposed is nothing like the anguish of the Members of Parliament who have to go long distances home to celebrate Christmas with their families and constituents and then come back here on Monday. His anguish is not now quite as sharp, but it is still very poignant.

With respect to the minister's motion we have, of course, given our consent, but I think it should be made plain that there is an understanding among all parties that when we have completed the study of Bill C-275, which will mean the completion of all the business which the government House Leader indicated the government expected to be completed—with the exception of Bill C-176 which we will discuss later, today—we will then recess until Tuesday. There will be no further discussion in this House today on Bill C-176. I think that is the understanding, and I put it on the record.

Our position on that has been made quite plain in this House and outside this House. The hon. member for Crowfoot (Mr. Horner) said quite plainly that the arrangements we have reached, or thought we had reached, which would involve acceptance of an amendment which the government has indicated to us it would like to put forward, plus a further amendment which, in our view, is one which carries forward the statement made by the Minister of Agriculture (Mr. Olson) a year last summer, excluding cattle and cattle products, would put Bill C-176 in a form in which we could accept it.

From our point of view, with that being done, Mr. Speaker, it is our belief that the passage of Bill C-176 would not be overly delayed. There would be some debate, I assume, but not a very lengthy debate. I say this because it may give hon. members some indication of what our position is in the event that we come back next week and have to debate this measure. Our position is clear. We maintain it. We hope the other protagonists in this issue will see the light of reason as we have seen it.

Mr. Stanley Knowles (Winnipeg North Centre): As must be obvious, Mr. Speaker, there have been discussions within the last couple of hours which have resulted in the request of the President of the Privy Council (Mr. MacEachen) for permission to offer the motion now before the House instead of either of those on the order paper. May I say that we are glad that the debate does not have to take place today on the motion for a recess of seven or eight weeks. We have views about that, in light of the number of times we are told that there is not time in the parliamentary schedule for things that ought to be done, but we can express those views if and when that motion is called next week.

In other words, what we have before us now is simply a motion that would provide that when today's work is done we stand adjourned until two o'clock on Tuesday. I should like to confirm the understanding already indicated by the hon. member for Peace River (Mr. Baldwin), namely,

that the only government business to be dealt with today is to be Bill C-275. I am in a position to say that, although we have some amendments that we wish to offer, and although there may be some votes, we are prepared to give such consent as may be necessary to enable the House to complete its deliberations on Bill C-275 today. That might be late. If it is achieved early, at least it is clear we will not revert to Bill C-176 today.

• (2:20 p.m.)

We also welcome the Christmas spirit that prompted the President of the Privy Council to suggest we come back on Tuesday rather than on Monday. As he knows, because this was involved in the discussions, we would have preferred this resumption to take place the following week, the first week in January, so that we could give adequate consideration to Bill C-176. We would even be prepared to consider some House order regarding time, provided there was agreement among the parties as to certain amendments that might be accepted.

Although I am suggesting an alternative date for coming back, namely the first Monday or Tuesday in January, I am not suggesting that this motion be delayed. If as a result of the discussion later this afternoon there could be agreement on how we handle Bill C-176, that of course could be dealt with later this afternoon.

Perhaps one can say, although we seemed to have a rather serious impasse, discussions have produced a resolution at least insofar as the Christmas weekend is concerned. We hope the government that has listened to reason regarding this weekend will also listen to reason when we come to the question of the length of the recess at this time of year, and also when we come to the question of what should be done to make Bill C-176 a decent and proper piece of legislation.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, discussions were indeed held among House leaders in order to find a solution concerning the debate on Bill C-176.

The proposal made by the President of the Privy Council a few moments ago would enable members to enjoy a few days' rest next weekend and to consider seriously the debate on Bill C-176 which will be carried on next week in order to find a solution in the interest of Canadian farmers and consumers once the legislation is passed.

[*English*]

Mr. Speaker: Is the hon. member rising on a question of privilege.

Mr. Jack McIntosh (Swift Current-Maple Creek): Yes, Mr. Speaker. I wonder if you could ascertain from the government side now what would happen in case we did not finish Bill C-176 between Christmas and New Years. In all fairness to members, because their Christmas plans have been disrupted, I think there should be some indication from the government concerning what will happen. I am not speaking particularly for the hon. member for Crowfoot, because we are all of the same opinion on this side. If there is any specific purpose to further debate on Bill C-176 at this time of the year, the government should indicate to members what will happen over the New Year's weekend so that we can make plans accordingly.

Mr. Speaker: The hon. member will appreciate that it is not within the functions of the Chair to make those inquiries. Perhaps this should be done in the course of the conversations which I gather are to take place during the day.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Motion agreed to.

* * *

REGIONAL ECONOMIC EXPANSION

BANKRUPTCY OF QUEBEC FIRMS RECEIVING GRANTS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask leave of the House to move a motion under Standing Order 43. I do so because I feel it is an urgent matter dealing with suspicions, doubts and public understandings created by articles in the public media concerning bankruptcies and lay-offs at DREE sponsored firms. In this regard, I would ask for the unanimous consent of the House to move the following motion which I think will clear up the matter once and for all. I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That the Minister of Regional Economic Expansion, for the sake of public understanding and in support of his department's programs, lay on the table of the House information outlining the number of commercial operations financed by the Department of Regional Economic Expansion that have either gone into bankruptcy or laid off personnel, and to clearly establish DREE procedures in this area.

[*Translation*]

Mr. Speaker: The House has heard the motion moved by the hon. member for St. John's East. The Chair must invite hon. members to show whether there is unanimous consent.

Some hon. Members: No.

Mr. Speaker: There is no unanimous consent and therefore the motion cannot be put.

[*English*]

ORAL QUESTION PERIOD

NATIONAL SECURITY

WAR MEASURES ACT—POSSIBLE STUDY BY INTERDEPARTMENTAL COMMITTEE PRIOR TO PROCLAMATION.

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the right hon. Prime Minister whether the government did in fact appoint an interdepartmental committee some five months before the October crisis of 1970 to consider the steps to be taken in the event that the War Measures Act was put into force by reason of insurrection.

Right Hon. P. E. Trudeau (Prime Minister): I do not think it is reasonable for the Leader of the Opposition to expect an answer to this kind of question. The way in which the government conducts its decision making and policies is certainly something which is private to the government. I do not mind saying that it is true that, as a result of the very disturbed social conditions in the world in 1968 and 1969, after the unrest on campuses across Europe and America as well as Canada, major strife and riots that we had seen in North American and European cities, the government was planning ahead to find ways in which it might meet any such contingencies.

Mr. Stanfield: I wish to ask the Prime Minister whether there were any particular developments in Canada in 1970 which prompted this consideration by the government.

Mr. Speaker: I am not sure that that question is in order, but the Prime Minister may be allowed to reply. The Leader of the Opposition is asking whether some time ago there were circumstances in the country which might have justified the government taking certain action. I wonder whether this is the kind of question which is in order, but in the Christmas spirit I will not object to the Prime Minister answering the question.

Mr. Stanfield: I rise on a point of order, Mr. Speaker. I suggest with all respect that the question is very much in order in view of the public importance of the whole matter at that time.

Mr. Speaker: Of course, that decision must be made by the Chair, and that is my suggestion.

An hon. Member: Where is the Christmas spirit?

* * *

GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENTS—POSSIBLE NEED FOR TIGHTER REGULATIONS

Mr. Andrew Brewin (Greenwood): My question is addressed to the Prime Minister. In the light of the apparent leakage to the press of highly sensitive cabinet documents, what action is the government taking to tighten its regulations or otherwise prevent the repetition of such leaks?

• (2:30 p.m.)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I missed the last part of the question when the member said "by way of doing" something in particular.

Mr. Brewin: By way of tightening its regulations or otherwise to prevent the repetition of such leaks.

Mr. Trudeau: Mr. Speaker, it is a very interesting suggestion that we tighten our regulations. The member knows that ministers take an oath of office and officials take an oath of secrecy. In the whole system of administration there are tons of documents circulating all year round, it is really a matter of knowing if somebody is going to break his oath and decide to take decisions upon his own head which can best be arrived at in a democratic way by the government responsible to the people. I cannot see how the member wants us to tighten the regulations if people are going to break the rules.

POSSIBLE COMMITTEE STUDY OF METHODS TO PRESERVE SECRECY OF DOCUMENTS

Mr. Andrew Brewin (Greenwood): A supplementary question. Would the government consider referring to the Standing Committee on Justice and Legal Affairs of this House or some other committee of this House the whole question of the secrecy of cabinet papers and the extent to which it is necessary to change methods to prevent documents that should be kept secret from being exposed to the public?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer is no. Anyone who knows anything about government realizes that when we want to get free discussion between officials and ministers they should be able to speak their minds with the utmost frankness. There has to be some part of government operations which is conducted in secret. There is no way in which any government will get around that.

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NATIONAL SECURITY

REQUEST FOR COMMITTEE AT NEXT SESSION TO STUDY LEGISLATION TO MEET EMERGENCIES

Mr. G. W. Baldwin (Peace River): A supplementary question Mr. Speaker. In light of the Prime Minister's answer and in light of information contained in the leaked document, would the Prime Minister discuss with the government House leader the possibility of restoring item No. 78 on the order paper at the next session in its existing form so that the government and the country may have the benefit of discussions and inquiry by a committee of this House?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will read item No. 78 and perhaps give an answer tomorrow.

An hon. Member: Tomorrow?

Mr. Baldwin: I will phone you at nine o'clock tomorrow morning.

* * *

REGIONAL ECONOMIC EXPANSION

PROJECTS FOR MAYOR CENTRES IN CANADA

Mr. John Burton (Regina East): I have a question for the Minister of Regional Economic Expansion. In view of the large sums of money being spent by the minister's department on projects in Quebec City where the minister's constituency is located, can he indicate if similar programs are being planned for other major centres in Canada such as Montreal, Regina and similar centres.

Mr. McGrath: Don't forget Halifax!

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, no more money is expended in Quebec than anywhere else. I think that we have spent some in Regina, through grants; we spent some in Sept-Îles, in Newfoundland, in New Brunswick—for the construction of a complex—in short we spend money everywhere. I do not think that more money is spent in Quebec than elsewhere.

[*English*]

POLICY RESPECTING GRANTS—DISCUSSION WITH PROVINCES

Mr. John Burton (Regina East): A supplementary question. In view of some quarrel with the minister's statement, and in view of the widespread dissatisfaction with the department's programs as well as the fact the department is now reviewing designated regions and special areas, is the minister considering holding a conference with representatives of all the provinces in order to develop a more acceptable approach to the national problem of eliminating regional disparities.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we are in constant contact with the provinces and, as far as I know, no particular province has complained about our regional economic expansion programs. A few hon. members have complained but, apart from that, nobody has ever complained about the way in which we are proceeding.

[*English*]

Mr. Burton: A supplementary question. Will the minister consider making a statement on motions to explain why his department has made no progress in its job of eliminating regional disparities?

Mr. Speaker: Order, please. The hon. member will appreciate that this question is in the form of a statement or allegation and in those terms it is not acceptable.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I rise on a question of privilege.

I admit that there is much worry about the subsidies received by Quebec, but I deplore the fact that some hon. members are not happy to see that Quebec is getting some subsidies even when this is justified, and I would like to congratulate the Minister—

Mr. Speaker: Order. I suggest to the hon. member that there is no question of privilege there, but rather a question that could be debated.

[*English*]

RESPONSIBILITY FOR DECISIONS ON GRANTS—ROLE OF MINISTER

Mr. James A. McGrath (St. John's East): A supplementary question. The hon. member has twisted the questions of members in the same way the Minister of Regional Economic Expansion does, and he knows there is not an element of truth in his allegation. I should like to ask the minister, since he made a statement outside the House yesterday to the effect that he has no role in the decision-making process regarding grants made under RDIA, who makes these decisions and who has the ultimate responsibility for them?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, as usual the premises are false. Yesterday, on television, I did not say that I had no part to play, but that I seldom intervened. This is something entirely different.

[*English*]

RESPONSIBILITY FOR DECISIONS—REQUEST FOR NAMES OF MEMBERS OF OUTSIDE COMMITTEE

Mr. James A. McGrath (St. John's East): A further supplementary. During that television interview the minister just referred to, he mentioned—

Some hon. Members: Order, order.

Mr. Speaker: Order, please. Would the hon. member ask the question?

Mr. McGrath: Mr. Speaker, it was the minister who referred to the television interview, and I can ask a supplementary question in the same vein. I should like to ask the minister if he could tell us who comprises the "outside committee", I think was the term he used, that he mentioned in the television interview yesterday? Who makes decisions under DREE? Could the minister name the members of that outside committee and could he tell us who has responsibility for the final decision?

Mr. Horner: And what role they play in the Liberal organization?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, no committee outside the department makes any decisions on subsidies. I simply stated that a committee made up of persons chosen outside the government supervised the application of the program and the allocation of subsidies. That is entirely different.

[*English*]

Mr. McGrath: A further supplementary—

Mr. Speaker: Order, please. I hope we do not spend the whole question period on this very important matter. I appreciate that it is important, but we have been spending a bit of time on it and it has perhaps developed into debate. However, if hon. members feel that we should pursue the matter, I will recognize a few supplementaries.

Mr. McGrath: On a supplementary question, I think the minister has an obligation to name the members of this committee.

Mr. Speaker: Order, please. I suggest to the hon. member that this is debate. As I mentioned a moment ago when the matter was raised by way of a question of privilege, the hon. member may be dissatisfied or unhappy but he cannot insist on an answer from the minister.

Inquiries of the Ministry

ALLEGED MIS-SPENDING OF FUNDS—GOVERNMENT POLICY ON ELECTION EXPENSES

Mr. J. H. Horner (Crowfoot): I have a supplementary question for the right hon. Prime Minister. In light of what has been revealed, I wonder if he is now prepared to comment and declare policy with regard to the Barbeau commission recommendations on election expenses which might clear up all this misunderstanding?

Mr. Speaker: Order, please. The hon. member is making an allegation at this time and the question cannot be accepted by the Chair. The Chair is prepared to recognize all supplementaries.

ALLEGED STATEMENT BY MINISTER REGARDING ROLE OF OTHER MINISTERS IN PARTY ORGANIZATION

Mr. Paul Yewchuk (Athabasca): My supplementary is also for the Minister of Regional Economic Expansion and is in regard to a possible conflict of interest. The minister stated that the Minister of National Revenue and the Minister of Industry, Trade and Commerce are in the same position as he with regard to their party organizations, as party organizers. Is the minister going to explain what these—

Mr. Speaker: Order, please. I doubt whether we should pursue this line of questioning. I would think a majority of hon. members might feel this type of question is not in order.

Mr. Yewchuk: I am sorry, Mr. Speaker, I was a little mixed up.

Some hon. Members: Hear, hear!

Mr. Yewchuk: I simply wanted to ask the minister to clarify the position that these various ministers hold in the party in the interests of the public.

Mr. Speaker: Order, please. The hon. member will appreciate, as I was suggesting a moment ago, that this is hardly the kind of question which can be answered during the question period—perhaps by way of a statement on motions but hardly by way of an answer during the question period.

Mr. McCleave: Mr. Speaker, I think I have a question of privilege. I can state it briefly and you can determine whether or not I have. My understanding is that the minister was asked twice in clear language to name the people who are advising, at least, his department on the grants made under the DREE program. We do not have the names and Your Honour has suggested that to pursue this matter would be debate. May I respectfully suggest to Your Honour that one of the purposes of our being here as an opposition is to check administration policies. Another purpose is the examination of administrative follies.

• (2:40 p.m.)

Mr. Gibson: Who will check the opposition?

Mr. McCleave: I must defer to my hon. friend from Hamilton-Wentworth, and say again that I love him. The other day, however, his own House leader did not care a hoot for him.

One of our purposes in being here, surely, is to check into administrative spending and place policies under some kind of examination. I think by his refusal to answer the question the minister has established that we, prima facie, have a legitimate question of privilege to raise against the minister, and I so raise it.

[Mr. Speaker.]

Mr. Speaker: The hon. member is a very distinguished member of the bar and a very distinguished member of this House, yet I would hesitate to agree with him. There are many precedents to indicate that hon. members cannot raise by way of question of privilege a minister's failure to reply to a question, a minister's refusal to reply to a question, or the reply of a minister which is not entirely to the satisfaction or not at all to the satisfaction of the hon. member who asked the question. I suggest with great respect to the hon. member and to the House that this is not a matter that can be raised by way of question of privilege.

AMOUNT LOST BY BANKRUPTCIES OF FIRMS IN QUEBEC

Mr. R. N. Thompson (Red Deer): A supplementary question, Mr. Speaker. I wonder if the Minister of Regional Economic Expansion could inform us whether the $500,000, which he referred to as having been lost through bankruptcies and which he said was not a bad track record, was the total amount lost through bankruptcies, or are other moneys involved?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I could check this, Mr. Speaker.

Mr. McGrath: The minister was pretty sure about that on television yesterday. He is not half so smart in the House.

Mr. Speaker: Order, please.

Mr. McGrath: Why does the minister not say inside the House what he said outside the House?

Mr. Marchand (Langelier): I referred to about $500,000.

Mr. McGrath: The minister suggested that there were other bankruptcies. Why does he not make a statement in the House and be the sort of minister that he is supposed to be?

Mr. Speaker: Order, please. The Chair is about to recognize the hon. member for Huron. I think, after that, hon. members will see that everyone has had the opportunity to ask a supplementary, and that we should go to the next subject.

DESIGNATED AREAS—REASON FOR DESIGNATION OF MONTREAL BUT NOT AREAS IN WESTERN ONTARIO

Mr. R. E. McKinley (Huron): A supplementary question, Mr. Speaker. May I ask the minister why it is that the city of Montreal is a designated area and slow growth areas in western Ontario are not?

Mr. Speaker: Order, please. I think it is time we moved to another area.

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ADMINISTRATION OF JUSTICE

SALE OF FIREARMS BY MAIL ORDER—POSSIBLE BREACH OF LAW

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of Justice. I sent him notice of it. Can he say whether newspaper advertising regarding the sale of revolvers and other firearms by mail order is in conformity with the law and/or public safety?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, it is a little difficult for me to give a legal opinion on orders of the day. I have referred the hon. gentleman's question to the appropriate provincial attorney general whose duty it is to enforce the law.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

VIOLENCE IN QUEBEC—REQUEST FOR STRICTER CENSORSHIP OF PROGRAMS

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a question of the Secretary of State.

Since there has unmistakably been renewed violence by young people these last few years, especially in Quebec, and since this phenomenon also coincides with a great slackening of censure of films and plays featuring violence on the CBC network, can the minister tell the House if he intends to take steps in that connection so as to improve the quality of the plays and films shown on television by the CBC.

Mr. Speaker: The minister may reply briefly to that question and it is with such qualification that I recognize him.

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, surveillance of films shown in theaters comes under exclusive provincial jurisdiction as the hon. member might know. The control over the Canadian Broadcasting Corporation programming is the sole responsibility of the CBC. The hon. member might discuss the matter with the directors when they appear before the Committee on Broadcasting, Films and Assistance to the Arts.

* * *

[*English*]

GRAIN

RAPESEED—POSSIBILITY OF TARIFF REDUCTIONS BY UNITED STATES AND JAPAN—AMOUNT IN STORAGE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration, in his capacity as reporting for the Wheat Board. It has to do with the rapeseed situation. Since he comes from a constituency which, since the destruction of the Bertha army worm, is known as the land of rape and Bertha control, I want to ask the minister, what are the prospects of securing reductions in the tariffs on rapeseed into the United States and into Japan?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the question of the tariff on rapeseed entering a variety of countries is a matter of constant examination. In the case of Japan, this was the foremost subject in my conversations with the officials and ministers in Japan. When there is good news to be announced, I will let the House know.

Mr. Diefenbaker: Mr. Speaker, I understand that the tariff in Japan is 27 cents per bushel. What is the probability of this amount being revised as a result of the negotiations the minister conducted? I ask this in view of the tremendous pile-up of rapeseed in storage in our country today.

Mr. Lang: Mr. Speaker, speaking of the pile-up, I can say that deliveries have been coming in from farmers at a slower rate than last year. On the question of the tariff, our objective would be to have that tariff reduced to as low a level as possible. I have in mind a zero figure.

Mr. Diefenbaker: Mr. Speaker, that type of generalization will not help the western rapeseed producer. I ask, what are the possibilities of the reduction taking place, and what negotiations are taking place with the United States? Unless these tariffs are reduced the pile-ups will continue and the western farmer will suffer.

Mr. Lang: Mr. Speaker, I am happy to reassure the right hon. gentleman that I am doing everything I can to help the western farmer.

Mr. Baldwin: That's what is worrying us.

Mr. Horner: The minister is helping them leave the farm.

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SPORTS

ALLEGED BARRING OF CANADIAN HOCKEY TEAMS FROM PLAYING IN EUROPE

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have a question for the Minister of National Health and Welfare arising out of the report that two hockey teams from Canada have been barred by "Bunny" Ahearne from playing with certain European teams. The teams in question are the Glenden College Gophers from Toronto and a bantam hockey team from Kamloops.

An hon. Member: Hurrah!

Mr. Marchand (Kamloops-Cariboo): This is a serious question, Mr. Speaker. Would the minister advise the House of the circumstances surrounding this report and, also, if the teams are being barred from playing with all the European teams which have extended them an invitation.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I will be pleased to look into the circumstances surrounding this particular occurrence,

although I question whether it would be very helpful for the boys on the teams concerned if the government were to make representation to Mr. Ahearne.

Mr. R. N. Thompson (Red Deer): A supplementary question, Mr. Speaker. While the minister is checking into that matter, could he also check into the situation of the Ottawa Peewee Hockey Team which is being prevented from playing in Finland over the Christmas season for the same reason?

An hon. Member: You are offside, Bob.

Mr. Munro: Yes, I will.

[*Later:*]

CONFIRMATION OF ARRANGEMENTS FOR KAMLOOPS BANTAMS TO PLAY AT LAHR AND BADEN

Mr. Len Marchand (Kamloops-Cariboo): Really, you know, the importance of this is that these teams have gone over to these European countries at tremendous expense as ambassadors for Canada. My supplementary to the Minister of National Defence is this: can he advise the House whether contingent arrangements to play Canadian teams at Lahr and Baden have been confirmed for the Kamloops Bantam Hockey Team?

Hon. Donald S. Macdonald (Minister of National Defence): My understanding is that they have been and that the teams will be most welcome at these two Canadian locations.

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GRAIN

POSSIBLE LOSS DUE TO CROP UNDER SNOW—PROCEDURE FOR REINSTATEMENT OF QUOTA

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I want to direct a question to the minister responsible for the Wheat Board, which is similar to the question asked by the hon. member for Marquette about a month ago. He asked the minister to check into the amount of grain that is lying under snow and whether any government policies will apply to the people whose grain is under snow. May I also ask at the same time whether people whose crops are under snow will lose their quotas as a result of the A and B quotas being cancelled?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I have spoken to the Canadian Wheat Board about the latter subject which the other hon. member previously asked about, and they have indicated that it will be their policy to examine especially those cases in which, because of factors beyond the farmer's control, he could not deliver his quota of grain. They will extend the quota in such cases. This will apply specifically to barley under snow with respect to which the quota was terminated on December 10.

• (2:50 p.m.)

Mr. Korchinski: May I ask whether these people will have to make specific applications or whether the procedure will be automatic?

Mr. Lang: Of course they will have to make specific applications. The Wheat Board does not know who they are until they apply.

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TRANSPORT

INCREASE IN FREIGHT CHARGES ON IMPORTED FEEDS—REQUEST FOR STATEMENT

Mr. J. P. Nowlan (Annapolis Valley): My question is directed to the Minister of Agriculture. It was prepared for the Minister of Transport who was sent a telegram today protesting unprecedented increases in freight charges related to the importation of feed. Since it seems likely we shall adjourn, and the Nova Scotia Federation of Agriculture is to meet next week, would the Minister of Agriculture confer with the Minister of Transport with a view to making a statement when we come back on Tuesday?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. I will take the question as notice.

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INDUSTRY

CANADA-UNITED STATES AUTO PACT—POSITION OF GOVERNMENT ON SAFEGUARDS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Prime Minister. Would the Prime Minister clarify the statement he made yesterday to the effect that United States complaints with respect to the auto pact safeguards might be justified, by informing the House which of the two safeguards he had in mind?

Right Hon. P. E. Trudeau (Prime Minister): Perhaps I can send the hon. member a transcript of the whole press conference. If he wants to read it and then ask a question, I will answer his question gladly.

Mr. Broadbent: Since I assume the Prime Minister does not intend to answer, I will ask the Minister of Industry, Trade and Commerce whether the government has yet reached a decision on abandoning either or both of the safeguards in the auto agreement.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, we have not yet reached a decision. But I assumed, when I read the report of the press conference, that the Prime Minister was referring to the two safeguards, the ratio, and the Canadian value added provision. Everybody knows that these have been so outshot by the success of the agreement in Canada that they have no more practical value. The hon. member knows that. Everybody does.

AUTOMOBILES—POSSIBLE TRANSFER OF PRODUCTION OF PONTIACS FROM STE. THÉRÈSE TO UNITED STATES

Mr. Edward Broadbent (Oshawa-Whitby): Can the minister tell the House whether he has received notification from General Motors Corporation of Canada concerning

a transfer of production of Pontiacs from Ste. Thérèse to the United States?

Hon. Jean Luc Pepin: (Minister of Industry, Trade and Commerce): No, Mr. Speaker. My information is that General Motors will be making an announcement sometime in January to that effect. It would, of course, be made known to the public at that time.

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[*Translation*]

UNEMPLOYMENT INSURANCE

DISCUSSION WITH QUEBEC WITH RESPECT TO DEFINITION OF "CIVIL SERVANT"—REQUEST FOR REPORT

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Labour.

Since a meeting had been scheduled between the Quebec Civil Service Minister and federal officials, I should like to ask the Minister of Labour whether he received an answer from the Quebec Civil Service Minister; if not, does he intend to meet the Quebec minister to reach an agreement on the new Unemployment Insurance Act?

[*English*]

Hon. Bryce Mackasey (Minister of Labour): There has been almost continuous discussion going on at the official level between the Unemployment Insurance Commission and the governments of many of the provinces, and I have nothing to add at this moment.

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MANPOWER

LOCAL INITIATIVES PROGRAM—REQUEST FOR EXPEDITING APPROVAL OF APPLICATIONS

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Manpower and Immigration. In view of the fact that his staff in charge of processing applications in connection with the local initiatives program is working night and day but is still behind in getting some of these projects approved and under way, may I ask whether the hon. gentleman would consider putting additional staff to work, bearing in mind that a deadline has been set? In all fairness, I must commend the minister for the co-operation I have received in connection with a number of projects.

Hon. Otto E. Lang (Minister of Manpower and Immigration): I should like to thank the hon. member for his kind remarks. In part, the heavy work load is due to extra checking in connection with a number of projects following representations by hon. members and others. I am satisfied that the progress made in approving applications has now achieved a very good pace and that approvals will be forthcoming very quickly to the extent of the money available.

POLLUTION

E.B. EDDY PLANT—COST OF REMOVAL

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is directed to the Minister of State for Urban Affairs. Bearing in mind the statement the minister made outside the House in relation to the affairs of the national capital I should like to ask him whether he will be making a statement inside the House when he has established the cost of taking over, at public expense, the E.B. Eddy plant in Hull as part of an environmental clean-up?

Hon. Robert K. Andras (Minister of State for Urban Affairs): I made no statement on that subject containing any figures. No figures have yet been established, and I did say they had not been established. When they have been, I shall certainly be prepared to consider making a statement in the House.

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INCOME TAX

DATE OF PUBLICATION OF NEW REGULATIONS—POSSIBLE CONFUSION RESULTING FROM DELAY

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of Finance. Would the minister advise us whether the income tax regulations necessary following the passage of Bill C-259 will be ready by January 1? How long will those in business and the professions have to wait before they can examine these regulations which govern at least 50 per cent of tax administration?

Hon. E. J. Benson (Minister of Finance): The regulations have been in preparation but it would, of course, be presumptuous for us to release regulations before the legislation has received Royal Assent, something which presumably will happen today. We are working as fast as we can to get the regulations out as early as possible.

Mr. Lambert (Edmonton West): To the extent that publication of such regulations is delayed after January 1, would the minister agree that considerable confusion will exist in the minds of the public since more than 50 per cent of the administration is governed by regulations?

Mr. Benson: I would not agree with that premise at all. Many of the regulations made in connection with the old act will continue. After all, this is not a new act. It is an act amending an existing act, and many of the regulations will continue.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

COMPLAINTS RESPECTING STUDY OF APPLICATIONS FOR BENEFITS—MEASURES TO IMPROVE SERVICE

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the hon. Minister of Labour.

In view of the increasing number of complaints we are receiving, particularly with the approach of Christmas,

and the many unfulfilled requests for unemployment insurance benefits, would the hon. minister tell us what he intends to do to cope with this situation?

[*English*]

Hon. Bryce Mackasey (Minister of Labour): This question comes up daily. There are bound to be some cases of delay among the 600,000 unemployment insurance applications which are processed weekly. When the delay is attributable to the Unemployment Insurance Commission, remedial action is taken immediately. When the delay is the result of the employees' or employers' action, things move slower. But we do have a responsibility, even though it is Christmas time, not to let the plan deteriorate into being a welfare plan, and the claims approved must be legitimate claims.

[*Translation*]

Mr. Latulippe: I have a supplementary, Mr. Speaker.

Would the hon. minister also tell us whether all this trouble is not a result of centralization of the centres? Would he accede to requests for decentralization as a factor of better service to the population?

Mr. Speaker: The hon. member must take for granted that the hon. minister will consider his question.

* * *

[*English*]

EXTERNAL AFFAIRS

CYPRUS—CANADIAN CONTRIBUTION TO PEACEKEEPING FORCE—INITIATIVE TAKEN TO SETTLE PROBLEM

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Secretary of State for External Affairs whether as a result of the decision by the Irish government to withdraw its contingent from the United Nations peacekeeping force on Cyprus, Canada has been asked to contribute a larger number of men, and, if so, what attitude the government has taken toward any such request.

Hon. Mitchell Sharp (Secretary of State for External Affairs): We have received no such request.

Mr. Macquarrie: Considering the long time during which our forces have been on Cyprus, can the minister advise us whether this country is taking any initiative toward bringing about some meaningful mediation directed to a settlement of this problem?

• (3:00 p.m.)

Mr. Sharp: Mr. Speaker, the House may recall that when I announced the extension for another six months of our participation, I said we were making it quite clear that we hoped our continued participation would not be an excuse for delaying the negotiations. To that extent at least, we are applying pressure for successful negotiations.

UNEMPLOYMENT INSURANCE

ISSUANCE OF CHEQUES BY HAND TO EXPEDITE PAYMENT OF BENEFITS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I wish to direct a question to the Minister of Labour. This is related to one asked earlier, and to which the answer was in the affirmative. I would like to ask the minister whether he can make arrangements with the Unemployment Insurance Commission for a change in its regulations so that in situations where records in unemployment insurance offices indicate that the claims are in order and the computers do not seem to spew out any cheques, the cheques could be issued, authorized by the appropriate authority, by hand, so that people could get their money?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, it would be much faster and more appropriate if the hon. gentleman would bring to my attention specific cases so that I could give them my personal attention.

* * *

HOUSING

POSSIBILITY OF RENT INCREASES IN 1972—GOVERNMENT POLICY AND ACTION

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I wish to direct a question to the Minister of State for Urban Affairs. On Friday, December 17, in a reply to a question put by my colleague, the hon. member for Hillsborough, the minister stated he had not yet studied the prediction of the Housing and Urban Development Association of Canada that rents may increase in 1972 by between 5 per cent and 15 per cent but that he would and, if such a prediction seemed correct, he would initiate action with the provinces. Has the minister studied that prediction, and does he believe now that the prediction is serious enough for him to initiate talks with the provinces to avert such rent increases?

Mr. Speaker: Order. The minister might reply to the first question briefly. The second question, in which the member invites the minister to express an opinion, of course is not in order. I draw the attention of hon. members to the fact that there are four minutes left before the end of the question period, and I hope hon. members will try to limit their supplementaries.

Hon. Robert K. Andras (Minister of State for Urban Affairs): Mr. Speaker, the statement made by the Housing and Urban Development Association has been studied. In our opinion the data on which it was based are somewhat questionable and we do not agree that there will be that kind of increase. But in spite of all that, we are in constant consultation with the provinces in an attempt to keep down increases in housing costs generally.

UNEMPLOYMENT INSURANCE

DEFINITION OF "CIVIL SERVANT"—ACCEPTANCE BY PROVINCES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a supplementary question to the Minister of Labour with respect to a statement he made the other day on civil servants and the definition of employees. Could the minister advise if the province of Quebec has accepted that definition, and whether he has had any reply from any of the other provinces? In fact can he somewhat assure us that the other provinces feel that the act as it stands now, with its new definition, is acceptable?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I am pleased to announce that the employees, the civil servants of British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, New Brunswick and Prince Edward Island have all been included under the new act, and the fact that they have applied to come under the act indicates that they consider it a very good act.

So far as the provinces of Nova Scotia and Newfoundland are concerned they have accepted the plan, and negotiations are taking place on some technical matters. So far as the province of Quebec is concerned, whether it intends to remain outside the plan as of January 1 next is a matter to be determined by that province.

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NATIONAL DEFENCE

CHIEF OF DEFENCE STAFF—POSSIBLE EXTENSION OF PERIOD IN OFFICE

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is directed to that great friend of the mink ranchers of Canada, the Minister of National Defence. Could the minister indicate whether or not consideration is being given now to the extension, by a year or more, of the period in office of the Chief of the Defence staff?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, that would be a Governor in Council decision, and it would have to be announced in due course.

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STATISTICS CANADA

ALLEGED DISCRIMINATION AGAINST ENGLISH-SPEAKING EMPLOYEES—PROMOTIONS IN IMPORT AND EXPORT TRADE SECTIONS

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce as the minister responsible for the Dominion Bureau of Statistics. The question is apropos of the Prime Minister's recent remarks on a harmonious bilingual and bicultural capital. The question deals with complaints I receive daily about discrimination against English-speaking public servants, particularly in the Dominion Bureau of Statistics. Would the minister undertake a study of the situation there and report on his findings to the House?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will do so, Mr. Speaker.

Mr. Alkenbrack: As a supplementary question, Mr. Speaker, would the minister attempt to find out how it is that the names of persons to be promoted are known to the staffs of the import and export trade sections in the DBS even before promotion boards are held?

Mr. Pepin: I said I would inquire, Mr. Speaker.

ALLEGED DETERIORATION OF MORALE OF EMPLOYEES

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I would like to ask the minister a supplementary question. I, too, have been getting reports of abuses of the provisions of the Official Languages Act in the Dominion Bureau of Statistics, and of the general deterioration of morals in that department—

Some hon. Member: Oh, oh!

Mr. Scott: —of morale in that department. I would like to ask the minister whether he would undertake a further study of the matter before it gets any worse? Further, would the minister report to the House after his study has been completed?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I said I would inquire about the situation with regard to appointments, not of morals.

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INDUSTRY

AUTOMOBILES—CORRECTION OF STATEMENT ON POSSIBLE TRANSFER OF PONTIAC PRODUCTION FROM STE. THÉRÈSE TO UNITED STATES

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): If you will allow me to make a correction, Mr. Speaker, I wish to refer back to the answer I gave to the hon. member for Oshawa-Whitby. I did not intend to confirm the rumour he was talking about. I only wanted to say that G.M. will be announcing its intentions, according to my understanding, some time in January.

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NATIONAL SECURITY

WAR MEASURES ACT—CONSULTATION WITH PROVINCES PRIOR TO PROCLAMATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Prime Minister a further question about the War Measures Act. I would like to ask him whether there were any discussions with representatives of the provincial governments and the municipal governments, with regard to the invocation of the War

Measures Act or the implications of the War Measures Act prior to the kidnapping of James Cross in 1970?

Right Hon. P. E. Trudeau (Prime Minister): None that I can recall, Mr. Speaker. In the previous year when there was a police strike in Montreal, there was a question of assistance by the army but I am quite certain that there was no mention or any discussion of the War Measures Act at that time.

WAR MEASURES ACT—ALLEGATIONS CONCERNING CONSULTATIONS PRIOR TO PROCLAMATION

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I wish to ask a supplementary question. In view of the revelations made by Mr. Bain in his article, is it not a fact that if those allegations are true the explanations that were given by the Prime Minister and the Minister of Justice of the circumstances under which the War Measures Act was invoked, were stating the very reverse of the truth?

Right Hon. P. E. Trudeau (Prime Minister): Yes, it is not a fact, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Vancouver-Kingsway.

Mr. Diefenbaker: Mr. Speaker—

Mr. Speaker: Order, please. The right hon. gentleman rises on a point of order?

Mr. Diefenbaker: On a question of privilege, Mr. Speaker. Certainly this is a matter which concerns the privileges of the House, although hardly of those automatons over there. It is a question of privilege when the House was informed that the only reason the War Measures Act was invoked was the request from the government of Quebec and the municipal government of Montreal, yet now we find that the whole question was studied over a period of time. This House was actually deceived by the answer given.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It is my intention to recognize the hon. member for Vancouver-Kingsway and then call orders of the day. Hon. members will have to keep their other important questions over Christmas and ask them on Tuesday.

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CONSUMER AFFAIRS

ALLEGED MISLEADING DESCRIPTION ON CANS OF MIXED NUTS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, in view of the front page story, and the fact that the holiday season includes such festive fare as peanuts and pecans, I would like to ask the Minister of Consumer and Corporate Affairs what he intends to do about the findings of the Consumer's Association of Canada that the term "mixed nuts" on cans means nothing because the cans include mostly peanuts?

[Mr. Stanfield.]

Mr. Speaker: I think that question could also be kept over the Christmas weekend, but in the Christmas spirit the minister might be allowed to reply briefly, and then the Chair will call orders of the day.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have been away with the 'flu and have not seen these reports. I will look at them immediately to see if action can be taken.

Mr. Broadbent: Mr. Speaker, I rise on a point of order in view of the importance of the auto pact negotiations, and the fact that I could not hear the correction by the Minister of Industry, Trade and Commerce of his earlier answer. I wonder if the minister could repeat his answer to the House, and in addition assure us that no change in government policy will be announced until we meet again.

• (3:10 p.m.)

Mr. Speaker: As I indicated a moment ago, the question period is finished. If hon. members want to pursue it, they have the right to do so if there is unanimous consent.

Some hon. Members: Agreed.

Mr. Pepin: Mr. Speaker, unfortunately, I said that GM would make an announcement "to that effect". The words "to that effect" might have implied that I was confirming the rumour mentioned by my hon. friend. I got up to state this was not my intention. I meant to say that GM would make an announcement, I am informed, possibly some time in January, as to their intention regarding their plans in Ontario and Quebec.

Mr. Lundrigan: Mr. Speaker, are we continuing the question period.

Mr. Speaker: If the hon. member will refer to Standing Orders, he will see that it is provided that the question period is to last 40 minutes. The 40 minutes expired four minutes ago, and I was going to call orders of the day.

Mr. Lundrigan: Mr. Speaker, in view of the fact that the Christmas recess is about to begin, and in view of the fact that a number of hon. members have important questions, would it be in order for me to ask if there is consent to continue the question period.

[*Translation*]

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Gaston Clermont (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am rising on a question of privilege.

I know that according to the Rules of the House the Chair is free to choose the hon. member it wants to recognize and I accept that. But, as I have risen perhaps 30 or 35 times during the oral question period and because it seems to me that I should ask the Minister of Industry, Trade and Commerce a question that is vital to the Canadian industry—

[*English*]

Mr. Speaker: Orders of the day.

Mr. Lundrigan: Mr. Speaker, if hon. members to my right would be agreeable, we would be delighted to hear the hon. member's question.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I do so in the hope that during the Christmas recess something might be done about the situation. May I call Your Honour's attention to the fact that the sound system today is working very poorly.

Mr. Speaker: I hope this will be looked into during whatever recess there is, but certainly this will be brought to the attention of the appropriate officials of the House.

Orders of the day.

GOVERNMENT ORDERS

INCOME TAX LAW AMENDMENT ACT, 1971

The House resumed from Wednesday, December 22, consideration of the motion of Mr. Drury (for Minister of Finance) for the second reading and reference to the Committee of the Whole of Bill C-275, to amend the statute law relating to income tax.

Mr. Speaker: The hon. member for Vancouver-Kingsway.

Mr. Lundrigan: Mr. Speaker, on a question of privilege, before the Minister of Manpower and Immigration leaves the House I wonder if it would be in order to raise a point which certainly is an important one. Today we had tabled in the House the job vacancy survey—

Mr. Deputy Speaker: Order, please. The hon. member knows that Orders of the Day have been called. The Chair has recognized the hon. member for Vancouver-Kingsway and there is no way, unless there should be unanimous consent, that the hon. member can raise this matter. The hon. member for Vancouver-Kingsway.

Mr. Lundrigan: Mr. Speaker, on a question of privilege—

Mr. Deputy Speaker: Order, please. The hon. member for Gander-Twillingate on a question of privilege.

Mr. Lundrigan: Mr. Speaker, I understand we are on Bill C-275 and, despite Your Honour's unique capabilities, I am surprised that you would rule out my question of privilege. I am raising a question specifically in respect of Bill C-275 in view of the job vacancy survey tabled in the House today.

Mr. Deputy Speaker: Order, please. The hon. member knows he has the right, as have other hon. members of the House, to speak on the order of business that is before the Chamber now, but the hon. member for Vancouver-Kingsway also has her rights in this Chamber and she has been recognized. The hon. member for Vancouver-Kingsway.

Mr. Lundrigan: Mr. Speaker, I am on a question of privilege.

Mr. Deputy Speaker: Order, please. The Chair has ruled on the question of privilege of the hon. member. If the hon. member is indicating to the Chair he wishes to speak on the subject now before the House, the hon. member for Vancouver-Kingsway has been recognized by the Chair. If the hon. member for Gander-Twillingate can indicate to the Chair that he has a legitimate question of privilege then I will hear him, but to this point he has not so indicated. However, I shall hear him.

Mr. Lundrigan: Mr. Speaker, if you are not prepared to hear my question of privilege, how can you rule on it? The minister is in the House and is about to leave. A document has been tabled that is directly relevant to Bill C-275 and which makes direct references to the manpower training program. I am sure my colleague from Vancouver-Kingsway, who is an outstanding member of this House, would be quite in agreement with my request. I should like to know whether the minister would stay during this period of debate on Bill C-275 and avail himself of the opportunity to make a brief statement on the job vacancy survey to the House.

Mr. Deputy Speaker: Order, please. With respect I suggest the hon. member is making a representation to the minister. The Chair recognizes the hon. member for Vancouver-Kingsway.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, when the House adjourned last night I was expressing our repudiation of the government's view of society which is only too clearly reflected in certain sections of the bill now before us. This view of society divides people into "haves" and "have nots" and it is quite obvious from this bill that the government intends to keep it that way. The first part of the bill reflects that intention only too clearly by its tax reduction of 3 per cent for individuals, right across the board without any regard to their income, and 7 per cent for corporations. I wonder, Mr. Speaker, if we might have a little more order in this House.

Mr. Deputy Speaker: Order, please.

Mrs. MacInnis: Thank you, Mr. Speaker, I would suggest that some of these caucuses should be held outside, if that would be all right with hon. members. I know we are all getting weary at this time, but at least we want to be able to make ourselves heard.

The first part of this bill embodies the age old "trickle-down" theory or recipe for dealing with difficult times in this country. It follows the idea that what you have to do is to make corporations and business concerns strong, and that by doing so you strengthen the entire economy. In my view this is putting the cart before the horse.

I was interested in the remarks of the hon. gentleman who was trying to get the floor a few moments ago, the hon. member for Gander-Twillingate (Mr. Lundrigan), who referred in the debate last night to the need for the development of human resources. Yet as he went along not even he could see that this bill is just simply the old idea of backing the industrial and economic resources of the country, completely neglecting the development of human resources which I think is very important. When it is a question of stimulating the economy, I think the

government would do well to realize that it has spent a long time trying out the trickle-down recipe which has not worked. It never has worked and will work less well as time goes on.

I think the government would do well to realize that what we have in this country is a group of captive consumers. We have many people whose income is relatively small. They have to spend money as soon as they get it, and we know what they spend it on. They spend it on the bare necessities of living, and do not spend much on the luxury items. So I think the government would be well advised to consider reversing this taxing arrangement and giving the really big tax reductions to the people who need them, namely, to the captive consumers who are bound to spend what they have on the goods and services which the country needs to produce in order to keep the wheels of industry and the services going in this country. These are the people who should be given the tax concessions.

• (3:20 p.m.)

Instead of that, this is another piece of legislation which proposes to give tax reductions to what I will call the uncontrolled corporations as opposed to the captive consumers. Because when this money is handed over to the corporations, either in the form of direct grants or tax reductions, no conditions are attached to it. No attempt is made to evaluate what is done with the money, to find out whether this money stays on the Canadian side of the border or whether or not large amounts of it are siphoned off to other countries, notably our neighbour to the south.

The worst part of this arrangement as embodied in the bill is the fact that the taxpayers, among whom are found many people who can ill afford to do so, have to pay for the care of the casualties of the operations of the big, uncontrolled corporations resulting from our way of doing business, which is that those people who have shall be given more by government concessions, and those people who have little shall have even that little taken away.

The high cost of treating illness, malnutrition, nervous and mental disorders, retardation of various kinds, delinquency and crime results from having a large group of people in our midst who do not have decent homes, proper nutrition, good clothing, decent educational opportunities, health care and the rest of it. These are not frivolous statements at all, and these are the reasons why we are opposed to the earlier clauses in this bill which propose to make larger concessions to and tax reductions for uncontrolled corporations than to captive consumers.

I know that members on all sides may think that we in this corner are not uttering words of sense and wisdom. I would remind hon. members opposite, and particularly those occupying the government benches, that when years ago Canada had a severe depression everyone knew there was a depression. Even the government of the day knew there was a depression, which is more than can be said for some subsequent governments. The trickle down recipe which we now have did not work at that time either. It was only when the president of the United States decided that human conditions and people in the lower income brackets needed looking after, and established programs to care for their needs and built up the economy, that there were the beginnings of a glimmer of hope.

I do not intend to deal any further with the earlier clauses of this bill because spokesmen among my colleagues have dealt with them very thoroughly. I do not think there is any need for me to do more than to say that we do not accept the principles underlying the first part of this bill.

However, I wish to deal with the second part of the bill on which very little has been said today. The second part of the bill has to do with the on the job training program. The government proposes to make available for the winter of 1971-72 the sum of $20 million for this new on the job training program. I want to say right away that we in this party consider that this program is based on a good principle and that it has possibilities. Consequently, we are much more favourably disposed toward it than toward some other programs to which I could make reference.

One principle, which I think is very good, of this on the job training program is that it removes the impediments which we have found in earlier manpower training programs and which we have opposed. These restrictions prevent women in households where there was male support from being able to avail themselves of the programs to the extent of receiving living allowance. This restriction is removed in the new program and the allowance applies both to women and to young people. Under the terms of the old manpower training programs, in order to qualify for training allowances people had to be in the labour force for three consecutive years, and it was found that women in the home and young people were prevented almost entirely from taking advantage of these programs because they were unable to meet this qualification.

To this extent I consider that the on the job training program is an improvement and has possibilities. However, I believe that certain questions must be raised at this point. The principle of giving money to employers to train their employees on the job is not a new one. It has been operating in industry since 1967 under the occupational training for adults act; but so far as members of the House are concerned we do not know very much about the success or otherwise of this program.

I want to ask the minister why there has been no evaluation of this program which has been in operation now for about five years. We want to have answers to a number of questions before we can be sure that the new on the job training program is going to work. We would like to know how many people have been trained since 1967, how many men and women are involved—because obviously there are women who have qualified, not the ones I mentioned but some others—and for what kind of jobs the training has prepared them.

I see the minister moving his hands out in a sort of Kewpie doll salute.

Mr. Lang: It is all available.

Mrs. MacInnis: It may be available but there are questions on the order paper that have not been answered. Perhaps it is available but one would need a prospector's pick and other equipment to dig it out, as well as a

burglar's tool bag to be able to get at some of the places where it is kept.

We would also like to know whether any of this training was for part time jobs. As far as women are concerned, even those women who qualify, many part time jobs would be essential to fill their needs. We would like to know whether in this regard statistics are available. By "available" I do not mean in the government books; I mean whether they have been leaked out to ordinary members of parliament so that we can get at them. We want to know whether or not these people are still holding these jobs and how good the training has been, as well as how many people are holding the jobs. Particularly where women and young people are concerned, we do not have the information we would like to have.

• (3:30 p.m.)

I do not think there has been any wholesale or public evaluation of the success of the manpower training program. We know that as far as women are concerned the program has been used to subsidize industries which pay low wages, such as the needle trades, shoe-making and others. In these industries there are a lot of recently arrived immigrants who are pretty well defenseless because they are largely unorganized and do not know the ways of the country. There have even been complaints about these people being replaced by new groups coming along. Sometimes these manpower training programs have been used to subsidize large corporations who would otherwise have trained their own employees. I think these older programs should be evaluated before we are asked to undertake new ones.

I would tell the minister that there are questions on the order paper which are unanswered and to which we would like answers so we can get on with this matter. However, Mr. Speaker, I think we may be able to look with hope to this new program if we can find out what the success or otherwise of the previous one was.

We know that since 1954 women have constituted the fastest growing segment of the labour force every year. Yet they are pretty well regarded by some as a nuisance in the labour force, and it is hoped that when we arrive at some state of so-called normalcy they will disappear. You may think this statement mirrors a superiority complex or even an inferiority complex, but some members opposite do not recognize such a thing as an equality complex. The women of this country are increasingly coming to want the same sort of deal as is available for men. I do not think there was any need for the surprise of the Prime Minister (Mr. Trudeau) at the increasing number of women and young people shown in the October unemployment figures: Yet after these five years of manpower training, there are still no special training programs to meet the need of women in the labour force or those who want to get into it.

As I have said on many occasions, since the service sector of our economy is growing the fastest, we should be creating programs to serve it and to train women for the full-time or part-time jobs for which they are especially fitted in the service field. There is no reason why the government, industry or the labour unions should regard jobs as full or all-day occupations. It is just one of the time-honoured shibboleths, one of the stone-age myths, that a job has to be a full-day job. Women are entering the labour force by the thousands, yet many of them need only a half-day job to supplement their husband's low income and they need the other half day at home to look after family needs.

Any on the job training program should consider the new programs that are needed. My own city of Vancouver is as far advanced in meeting this need as any place in Canada. Many organizations there have demonstrated that women can be trained for certain jobs, but they have to convince the Minister of Manpower and Immigration (Mr. Lang) that the training programs should be carried on under public auspices. As well they must then convince employers that the jobs are necessary.

For instance, we need day care centre aides. I know that the supervisor of a day care centre has to be college trained in modern child psychology, administration etc., but there is also a tremendous need for aides, and these jobs could be filled by older women whose families are grown or young girls who have dropped out of high school. If the on the job training program made training available for such aides, this would be half the battle. There is a tremendous need all across the country for day care centre aides, teachers' aides, social work aides, recreation aides, etc., and it is women and young people who could be trained to fill the need.

The minister has certainly had lots of training in how to be elastic in approach. If he can handle the Wheat Board, manpower and immigration, and the Public Service Staff Relations Board, he has certainly learned to be flexible. He is in a position to understand how the ordinary woman feels when she has to try to divide her time between the job outside the home, look after her children, do the shopping and try to keep her husband quiet in between times.

I know the minister is going to say to me that I am talking about on the job training for employers, and will ask where we are going to get the employers for such things. Well, years and years ago we had the same row about trying to get nurses' aides accepted—nobody wanted to employ them. But we finally managed this. If the present program needs to be amended to achieve this then I suggest that he get the amendment ready, because it is an important point.

If this on the job training program is to be of value to women and young people the minister must consider municipal governments and voluntary organizations as potential employers. There are municipalities which very much want to employ people in these capacities, and I do not know if that is possible under existing legislation. I hope before the debate finishes the minister will answer some of the questions that I have raised. I wonder if he will say whether it will be possible for "employers" to mean municipal bodies, voluntary bodies and co-operatives bodies. I think that ought to be possible.

• (3:40 p.m.)

Since introducing the manpower training program in 1967, the government has had to spend more and more money on it every year. This year it is spending about $330 million, the reason being partly that the government does not like the currently large unemployment figures and prefers to shift people from the ranks of the unemployed

to the ranks of those undergoing manpower training. Not enough of this has been done, although I am glad that it has been done.

Mr. Lang: Don't knock the program.

Mrs. MacInnis: I am not knocking it; I am merely laying the groundwork for my next remarks. I merely pointed out why this was happening. Since we are spending so much money on the ordinary manpower training program, I thought it might be sensible to consider spending this $20 million for on the job training on people who, during the last five years, have been cut off from the benefits of manpower training, namely, women and young people. It would be a good idea to give them top priority. We should allow those people who previously were cut off from the benefits of the program because they did not meet the necessary qualifications or criteria to take advantage of the new on the job training scheme. I am not knocking the program. I merely want to show how it can be of greater value.

We should include young people and women in the program for other reasons as well. I suspect that for the Prime Minister, the figures relating to unemployment are mere book entries rather than the tragic human figures for whom there is no room. He suggests that the unemployment figures are swollen because large numbers of young people and women have entered the labour force. If the Prime Minister thinks that—and I will not say just now if I support his view—then I suggest that the Minister of Manpower and Immigration (Mr. Lang) should have an additional reason to consider giving top priority to women and young people in the on the job training program. That would be an excellent idea. Actually, I suspect the Prime Minister is not paying too much attention to what is happening in the unemployment field, otherwise he would realize that young people and women not only have been entering the employment field in greater numbers, but that they will continue trying to enter it. They will not just go away, and no amount of urging that they go back to their homes or to the streets will remove them from the labour force. I suspect that the Prime Minister merely refers to book entries and does not realize that behind these figures lie the tragedies of women and young people who are desperately trying to get a start in life.

The trouble is that when people are unemployed too long and in receipt of social assistance they lose not only the will but the ability to work. If hon. members do not believe that, they should consider what Mr. Paul Hoffman of the United Nations who has been for so long concerned with work in the developing countries said to a number of us at the United Nations last fall. He told us that it is utterly impossible for people who have never been given the chance to earn their own way and attain a decent standard of living to work steadily and be responsible to the community. He said we should not even expect them to do that, and he is dead right. If we do not want more and more people sitting around and drawing social assistance, and then being unwilling and unable to do any kind of work, we will have to find jobs for them now, jobs that they want, before they get into habits of idleness.

I suspect that the Prime Minister has not been looking at the facts as they really are. He has been paying too much attention to some of the early church fathers and to some of the other early historical figures from way back, as is evident from his remarks. I should like to see him coming back to the twentieth century for a while. I did not like hearing the Prime Minister say that people's morals are divided into those of serfs and princes, and that is the end of it.

An hon. Member: He did not say that.

Mrs. MacInnis: I do not like Canadians being divided into serfs and princes, as they might have been in the time of Machiavelli, Shakespeare—

An hon. Member: Or Trudeau.

Mrs. MacInnis: Yes, or Trudeau. I do not like to think that our Prime Minister belongs back in those times, yet if he keeps on talking that way, I will have no alternative but to think that. I think that the Canadian people, if given half a chance, will work as hard as anybody. Be they men, women or young people, they are entitled to a chance. I believe they are entitled to participate in the training for work program and to employment that will provide them with the income they need to live. I think that the people who are unemployed as well as the crippled and those who are otherwise incapacitated have a right to a guaranteed income which will enable them to keep their sense of decency and self respect.

I think, Mr. Speaker, you will agree that I have stuck pretty well to this bill all the way through my remarks. I have been trying to show the minister some possibilities regarding this bill. If he harbours reservations about what this bill will do, he still has the chance to deal with them before this bill becomes law. I submit that if it is necessary to change this legislation in order to make it of value to those in this country who really need it, that should be done.

I hope that the minister can take some time off over Christmas to get rested up and boned up. Perhaps I should not say "boned up"; I was thinking of turkeys. In any event, I hope he is able to rest, so that he may be able to undertake his labours, which will be considerable, in 1972.

Mr. Lang: Mr. Speaker, will the hon. member permit a question? In her remarks the hon. member referred to a certain lack of information. I was surprised, because she referred to certain questions regarding people in training, the results of training programs, and so on. She said there are questions on the order paper about this. I have looked through the questions and have not been able to find such questions as she has referred to, and I wonder if the hon. member could direct my attention to them or, in the alternative, if she finds that there are not such questions on the order paper, whether she could make it clear that my department is very prompt in this regard.

Mrs. MacInnis: Yes, Mr. Speaker.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I am sure it is not necessary for me to repeat the very realistic comments of my colleagues. I merely want to make some comments on second reading and perhaps refer to some of the literature that the minister and others have distributed in the last little while.

Yesterday it was clear that the government opposite had no intention of differentiating between labour-intensive industries and capital-intensive industries, although I am sure that the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) would like to spend more time expounding theories in this area. I submit that the real crux of our remarks lies in this: the government must distinguish between labour-intensive and capital-intensive industries.

Yesterday, the hon. member for Gander-Twillingate (Mr. Lundrigan) suggested that he could not understand what my colleague from Oshawa-Whitby (Mr. Broadbent) was referring to. This may be another case of "let us not confuse the issue with facts". If the hon. member for Gander-Twillingate did not understand what my colleagues was suggesting, then, I suggest, he does not understand the facts of life. May I also suggest that he does not understand the concept of the equality of people. It seems that hon. members opposite are unable to recognize the difference between poverty and wealth; to them, all people are equal.

• (3:50 p.m.)

Not long ago the minister drew attention to the promptness with which his department answered questions placed on the order paper. I wonder why the department is not just as prompt to inform the House of Commons of the contents of the Bryden Committee Report. Why is he not as prompt in supplying information to the House in relation to other studies which have been conducted? They have not been tabled in the House of Commons even though their contents have been leaked to industry and to the public.

The minister should appear in the House more often to answer questions relating to his department. Consider his attendance record back to November 10—I use that date as a convenient point of reference. He should have been present on 19 occasions to answer questions, to make known to members what some of the programs upon which his department is engaged really mean. But we find he was here on only eight occasions. I give the minister due credit for the fact that he was often overseas doing something for the national benefit, but it remains true that questions arise in the House of Commons which should be answered and which can be answered adequately only by the minister who exercises responsibility for the department.

Listening to the observations made by the hon. member who spoke before I rose, one would get the impression that everything connected with this program was going well. As we look at the definitions in the bill on pages two and three we really must ask ourselves what is the purpose of this whole exercise in connection with manpower training programs. Reading the letters which are sent to us we find that many people are failing to obtain the benefits the government would like to suggest are provided by manpower retraining and on-the-job training programs.

I wish to draw attention to one of the real difficulties arising from the present arrangements by quoting a letter which came to me from Saskatchewan. The writer attended a technical institute in his province where the department of manpower sponsors various programs. He writes:

> I am presently enrolled in a Canada Manpower sponsored grade XI course at Saskatchewan Technical Institute in Moose Jaw and should like to proceed to a similar grade XII course. However, a grade XII course is taught in Regina only. Presently there are approximately 20 students who will qualify to fill the one available opening in grade XII in Regina.
>
> In addition to this there are two other students and myself who cannot qualify for grade XII due to the fact that we spent four months in grade X, five months in grade XI and we are allowed a total of 52 weeks only.
>
> I would appreciate it, sir, if you could possibly explain the method I could use to further my education through Canada Manpower.
>
> Because I am a man with a wife and five children, it is my desire to raise my standards through a university degree in journalism and to enter the field of labour relations.
>
> It is of the utmost importance to me and my family that any possible government assistance not be withheld at this stage.
>
> Any consideration given to me on this matter will be greatly appreciated.

As to the question raised in this letter I can only say that many representations have been made to the government and to the minister to allow some discretion to local officers when assessing particular situations. Government offices operate only on the basis of regulations. They boast about the number of people taking part in retraining programs but the very people who possibly are in greatest need of two or three extra weeks are unable to obtain consideration because the number of weeks' training is limited by regulation to 52. I suggest the government should consider amending its regulations by order in council to enable further time to be granted in cases where this is desirable. Surely local officers could be given some leeway with respect to cases like the one to which I have just called attention.

Returning to the question of study and analysis, it is a fact that departments themselves invariably set up an internal committee to analyse the effectiveness of their own programs. I would suspect myself that many such committees would produce a subjective report which would suit its own needs, not the type of analysis which would deal frankly with all the realities involved and enable all those who were interested to know exactly what was going on. It is extremely necessary that an objective analysis be made by people outside the department, possibly even by Treasury Board itself. We are aware that the Auditor General expressed certain reservations as to the manner in which public funds had been disbursed in connection with manpower programs. The observations put out on December 16 by the department refer to the results of the manpower training program survey, indicating that of the nearly 70 per cent of former students now working, only 33 per cent had held jobs before entering their courses.

Reference is made in this report to a publication of the Economic Council of Canada. If we look at this latter publication we read at the bottom of page 114 the following statement: "The method employed in the department's present model raises some doubts as to the confidence with which one can attribute benefits to training per se". Surely, this observation should in itself be enough to suggest that an objective analysis should be undertaken by someone other than the departmental minister concerned.

It cannot be suggested that the type of material we have before us is objective in its analysis of these programs. I note that the following appears on the first page of the publication issued on December 16: that of the nearly 70 per cent now working, average pay increased by 13 per cent, or more than $47 a month, as a result of their training. At the same time, may I quote from pages 112 and 113 of the review issued by the Economic Council of Canada:

• (4:00 p.m.)

With respect to training under the Canada Manpower Training Program in the period January through September 1969, the Department has stated that the benefits derived from the program are in the order of two to three dollars for each dollar of expenditure. A further analysis of the data from this period suggests, however, that when account is taken of the work experience of trainees for several years prior to training, the program does not appear to have resulted in improvement in employment. With regard to earnings, average wages of trainees do appear to have increased by approximately 12 per cent.

The figure given here is different from that in the Economic Council Review.

Whether this improvement is entirely attributable to training per se is, however, questionable. The period that elapsed between the measurement of pre-training and post-training was probably about a year. During this period the rate of price increase alone would have reduced the increase in average real wages to a rate of around 8 per cent.

Nevertheless, the government brings forth a document suggesting an increase of 13 per cent, or more than $47 a month. The Economic Council says the figure is 8 per cent. Everybody realizes that wages have gone up, but this was not necessarily because of the training. In this regard it is high time that some of these departments listened to the Economic Council of Canada and assessed the real problems of the situation.

I wish to quote further from the bottom of page 113 of support in the point I am attempting to make:

A further reason for scepticism arises from the use of pre- and post-training earnings comparisons. The crucial question is: What difference did training make to the worker's employment and earnings prospects? Really, then, we want to determine the difference between the worker's experience with, and without, training—which is not the same thing as his experience before and after training. "Before-and-after" is used only as a proxy or indicator of "with-and-without". To use the before-and-after approach, one must make the heroic assumption that "other things remained the same"—that is, that all other things, except training, didn't change. But during the training period it is likely that other things did change, for better or worse, and they would affect the worker's prospects regardless of whether he received training.

This review by the Economic Council of Canada points out clearly that unless an analysis is made by some group other than the department itself we will not have a true report.

Today the Minister of Manpower and Immigration (Mr. Lang) tabled the job vacancy survey report in the House of Commons. It is ironic that in effect this report cost $3.5 million. What we find out from it is that there are some 30,000 job vacancies available for 500,000 unemployed. How can the manpower department hope to inspire credibility in its job training program and retraining program when this is the net result?

[Mr. Skoberg.]

The 500,000 unemployed wonder just exactly what is going on and whether this is a cruel hoax being played on them by the department. Are people being placed in training institutions simply to get them off the unemployment rolls? Instead of putting money into job-creating programs the department is spending money on upgrading and retraining people. But these people cannot find jobs afterwards. If that is the policy the government is following it deserves to be condemned.

If all the people presently taking part in training programs were shown on the unemployment list, the unemployment rate would jump from 6.6 per cent to 7.9 per cent. This is not something of which anyone can be proud. If the figure of 90,000 trainees taking part in programs every month is correct, then how could the survey tabled today possibly be accurate?

Here I turn to another matter, Mr. Speaker. In the report by the minister on the results of training which he released on December 16 we read the following:

Our finding is that non-response bias, at least so far as it concerns employment experiences, appears to be negligible.

It is my understanding that there was a response of about 59 per cent to the survey taken. When one considers the fact that 41 per cent did not reply, one must wonder if the department could not really find out where the remaining 41 per cent were.

Again we must ask the question whether training and retraining programs are being used to get people off the unemployment rolls. Surely there should be some way of assessing the over-all situation. Why does the government not undertake job-creating programs instead of pouring millions of dollars into a program to take people off the unemployment rolls. These are questions we must ask. The government itself must reassess the situation to determine whether it is putting money into a program that benefits the country as a whole.

Surely the government is aware of the fact that there are real problems. Surely it is aware of the fact that there are people across this country who need to be retrained to an extent that they can be more suitable applicants for job opportunities. But, as we have now seen, there is actually no assessment of whether or not people really are suitable for a certain job after taking part in training programs.

It is not a case of trying to assess the benefits of the program itself, but of trying to determine that people will be treated equally and not on the basis of serfs and masters, which seems to be the basis for this bill. We all agree that the bill is nothing but a stopgap measure, and that the type of program operated under the Department of Regional Economic Expansion can really show no long-term benefits for the country as a whole. Some $330 million has been allocated for that department's 1971-72 program. One wonders how many real job-creating programs could have been undertaken with that amount of money. Even the Economic Council of Canada is questioning the type of program undertaken by the department as well as the department's own assessment of its program.

I am sure that hon. members will offer amendments at committee stage, and these will provide individual members with an opportunity to express themselves in favour

of either labour-intensive or capital-intensive industries. Mr. Speaker, how can the provisions of this bill stimulate the economy?

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

• (4:10 p.m.)

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Laniel in the Chair.

On Clause 2—*"Income Tax Act" defined.*

The Deputy Chairman: Shall clause 2 carry?

Some hon. Members: Carried.

Mr. McCleave: Mr. Chairman, if clause 2 is carried, I am sorry. I was perhaps inadvertent and missed it. I wanted to ask a question of the parliamentary secretary.

The Deputy Chairman: I am sure the House will agree to allow the question even though the clause has been adopted. Is it agreed?

Some hon. Members: Agreed.

Mr. McCleave: Mr. Chairman, I thank the committee for its courtesy. My question arises out of something I mentioned during second reading of the bill. It deals with technicalities and it might be useful to have this on the record for the benefit of those who are trying to fit this piece of tax legislation in with certain others which have gone before. It arises because of the wording of the notice of ways and means motions. There are two notices. The one we are dealing with I gather is strictly confined to what will happen in the taxation year 1971. However, the two notices that were on the Order Paper for December 17 refer to events subsequent to the taxation year 1971. I am not referring to clause 5 of this measure which deals with the manpower training program; I am simply dealing with clauses 2, 3 and 4. I am wondering whether the parliamentary secretary will be saying that in reality there will be another income tax bill to carry on the purpose of that resolution through 1972 and a portion of 1973.

Mr. Mahoney: Yes, Mr. Chairman, the hon. member is quite correct. The bill before us deals, in so far as the corporate and personal income tax reductions are concerned, with the present Income Tax Act. The 1972 and onward changes of course affect the Income Tax Act as amended by Bill C-259. It was not felt appropriate that amendments to amend the Act as amended by Bill C-259 be brought in until that bill itself was in effect. Accordingly, when we resume sitting in the new year it will be the intention of the government to bring in another bill implementing the balance of the ways and means motion.

Mr. McCleave: I thank the parliamentary secretary for that explanation. Would that be in addition to another measure the Minister of Finance has suggested to us in the final stages of Bill C-259, or would there be one big enterprise in the New Year?

Mr. Mahoney: I really cannot say what procedure will be followed at that point.

Clause agreed to.

Mr. Broadbent: Mr. Chairman, do I understand that we are now discussing clause 3?

The Deputy Chairman: The committee will study clause 3 at this time.

On Clause 3: *Additional deduction from tax.*

Mr. Broadbent: I will keep my remarks brief, Mr. Chairman. Among the points made earlier today and yesterday it will be recalled that the central objection the New Democratic Party had to clause 3 as it now stands is that it offers a flat rate of tax reduction on personal income right across the board. Two problems arise, in our view. The first is the question of equity, which results in people in some income groups getting substantially more money than those at the lower end of the income scale. Secondly, directly related to that is the fact that one of the intended effects of this whole bill will not be carried out because so little money would be going to that section of the population which spends most of its disposable income. There would be actually little stimulus added to the economy and little input to generate more employment.

Therefore I have an amendment to clause 3 which I intend to move. It is an amendment which would have three effects. First, it would get money where it is needed, and only where it is needed. Second, it would remove the lack of "progressivity", if there is such a word, from existing clause 3. Third, it would offer a substantial injection of money into the economy immediately. I move:

That clause 3 of Bill C-275 be amended by changing the figure "1¼ per cent" in line 16 to "20 per cent", and also by changing the period at the end of line 18 to a comma and adding immediately thereafter the following words: "or $40, whichever is the lesser".

Perhaps I may add just a concluding comment in respect of the amendment. It would involve, in terms of our rough calculation, the same amount of public expenditure as is already envisaged by this bill. What it would do would be to transfer the money from where it is not needed, and in fact where it is uselessly expended, namely, from the corporate sector and the upper section in the income scale, on the one hand, to average and low-income people on the other. This is something that we in the New Democratic Party believe, in terms of justice and terms of economic stimulus, is needed immediately, and I hope the amendment will gain the support of all the members of the House.

The Deputy Chairman: Order, please. It is the feeling of the Chair that the amendment of the hon. member, at first glance, is acceptable unless hon. members wish to express different points of view and perhaps convince the Chair otherwise. However, I am ready to put the amendment at this time because I consider the amendment to involve a reduction of tax, and this is in order.

Mr. McCleave: Mr. Chairman, on behalf of my party I want to say we reject the amendment. I should like briefly to explain our reasons.

The Deputy Chairman: Order. Is the hon. member speaking on the procedural acceptability of the amendment or on the amendment itself?

Mr. McCleave: I understood your Honour to say you were accepting the amendment and were going to put it.

The Deputy Chairman: If the hon. member wants to discuss the procedural acceptability I will not put the amendment. Otherwise I will put the amendment and give the floor to the hon. member.

It has been moved:

That clause 3 of bill C-275 be amended by changing the figure "1½ per cent" in line 16 to "20 per cent", and also by changing the period at the end of line 18 to a comma and adding immediately thereafter the following words: "or $40, whichever is the lesser".

The hon. member for Halifax-East Hants.

• (4:20 p.m.)

Mr. McCleave: Mr. Chairman, I am sorry, I think the hon. member who proposed the amendment should probably be allowed to speak on it first. I did rather jump the gun but I would yield to him.

Mr. Broadbent: Go ahead.

Mr. McCleave: The hon. member invites me to go ahead. As I indicated yesterday in my remarks on second reading, we thought that there was merit in providing a greater reduction in the personal income tax because this money, especially in the hands of the lower income groups, would find its way back into the economy very quickly. I also indicated that about 37 per cent of the gross revenues of the government were obtained from the taxes imposed upon the individual taxpayer in Canada. I think there would have been room for a greater measure of tax relief than that proposed by the minister in his third budget of 1971, presented to us on October 14, but the effect of this amendment would be really spread over a full year and would be a reduction of the personal income tax rate by something in the order of 40 per cent rather than 20 per cent, since the 20 per cent only refers to the half year period.

An hon. Member: No.

Mr. Lambert (Edmonton West): You have it reversed.

Mr. McCleave: This is my mathematical interpretation of it, and I am sure there are mathematical geniuses in the other party who would be able to correct me if I am wrong. I do not think I am, because 1½ per cent is one half of the 3 per cent mentioned by the Minister of Finance in the budget. Perforce, the 20 per cent must be a half of 40 per cent. I say that this verges on the border of financial irresponsibility, and therefore we must reject it and do.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I rise to support the amendment put forward by the hon. member for Oshawa-Whitby and I urge the House to accept it. But before I get into my brief submission I might endeavour to correct the hon. member for Halifax-East Hants. If I understood him correctly he thought that 20 per cent for six months would be the equivalent of 40 per cent for the full year. Let me point out to him that this amendment calls for 20 per cent for the full year, which would be the equivalent of 40 per cent for six months, just as the minister has told us that he is giving a reduction of 1½ per cent for the full year which works out at 3 per cent for six months.

[The Deputy Chairman.]

My hon. friend says that the amount involved in this is too much for his party to support. I have to say that I have not personally done the arithmetic involved in this since we all have research people around here to do that for us. Those who have done the arithmetic for us tell us that with the $40 ceiling that is in this proposition the total amount rebated to individual taxpayers will be roughly equal to what would have been rebated with the 1½ per cent rate for the year and no limit on the amount that an individual taxpayer can get.

I point out that it is also our intention to vote against the next clause which gives a 7 per cent reduction to corporations. Our point is that what really counts is justice and equity in any tax system, and even though it may seem tedious to our friends opposite to have to listen to us say this time and time again, apparently it is necessary to do so. No matter how much fairness there might be in a tax system—and we contend that there is not a great deal of it in today's tax system—whenever you make reductions on a flat percentage basis of across the board, you give a few cents or a few dollars to those in the lower income brackets, and you give hundreds and thousands of dollars to those in the upper brackets.

We think this is grossly unfair and that it should not be perpetrated again as it is in the clause that is now before us. I am glad that the Secretary of State for External Affairs is in the chamber, even if he is involved in a conversation with someone else, because when he was minister of finance he brought in a tax reduction measure. I think the amount of reduction was 20 per cent of the basic tax. But he attached to it a $20 maximum and he was able to stand in his place, to face us and to say: "This is what you people over there want". As a matter of fact, that provision has been in effect for several years since 1966.

The point I am making is that it is not completely foreign to a person such as the present Secretary of State for External Affairs to suggest that when you give a tax reduction on top of a basic tax system the fair thing to do is to provide a maximum so that those in the lower brackets get a decent break and those in the upper brackets do not get a bonanza.

What we are asking in this amendment is that the percentage rates be increased substantially from 1½ per cent to 20 per cent, or from 3 per cent to 40 per cent, whether you are talking about six months or a year. We say that the rate should be increased substantially for those in the lower brackets but that a ceiling should be established beyond which no greater reduction is payable.

The calculations that have been made in connection with this suggest that this would mean that all those with incomes up to around about $12,000 a year would get the full amount of the 20 per cent increase proposed in the amendment, but those in the higher brackets, depending on their status, the number of dependants and so on, would get no more than the $40 suggested in the amendment. We feel very strongly that this is a fair approach. My colleague, the hon. member for Oshawa-Whitby, demonstrated yesterday the complete unfairness of the present proposal by putting on the record the fact that some people would get only $1.09, as opposed to the hundreds and thousands of dollars that others would get. I submit that if the government wants to make any pretense

at all of doing things on the basis of fairness and equity it should accept this amendment.

Since the Secretary of State for External Affairs, when minister of finance, brought in a tax reduction exactly along the lines of this amendment, I hope that he will persuade those around him that a little consistency on the part of the government would be in order and that the government should support this amendment. We think that this is one of the most important features of the bill that is now before us. We support the principle of a tax reduction for the reasons that have been stated, but we think it is thoughtless and unfair to say that the government is giving a tax reduction and expect people to be happy about it when it is structured in such a way that those in the lower brackets get so little and those in the upper brackets get so much. That is why we urge the committee to accept this amendment to clause 3.

• (4:30 p.m.)

Mr. Mahoney: Mr. Chairman, it is always tempting to enter into philosophical discussions with members of the NDP of the kind this particular amendment reflects. It is the line of thought we have heard from them throughout second reading debate. However, the government feels that the corporate sector of the economy is of value and that the reduction in tax for the corporate sector is of value to the national economy. I was glad to hear the hon. member for Winnipeg North Centre speaking to this amendment and indicating his party's intention to vote against clause 4, because this really presents the package to us as representing their point of view.

Any reduction of taxes for any sector will always be subject to the criticism that it is not enough. Any change in taxes will also always be subject to the criticism that the timing is wrong. These criticisms are trite, tired and old but they will always be with us.

I have listened carefully for the last half day but have not found anything new in what members of the NDP have said. The government must accept responsibility for making the decisions on what tax reductions are appropriate and when they should become effective. As we all know, these tax reductions were announced by the Minister of Finance in October and are effective as of July 1 this year. In combination with many other measures and steps taken by the government during the current year and as early as March, 1970, this has had the effect of putting the Canadian economy back on the move in a very satisfactory fashion. I am quite prepared to defend the government's policies and decisions. Certainly the government cannot accept this amendment nor can it accept the advice of the hon. member for Winnipeg North Centre that clause 4 should be defeated.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Mahoney: Yes.

Mr. Knowles (Winnipeg North Centre): In view of the parliamentary secretary's suggestion that what I was putting forward was a philosophical argument, would he say that is what the Secretary of State for External Affairs was doing when he, as minister of finance, proposed a 20 per cent reduction and a $20 maximum?

Mr. Mahoney: Mr. Chairman, I am afraid I have no way of reading the mind of the Secretary of State for External Affairs a number of years ago, so I cannot answer that. I did not suggest that the amendment was a philosophical argument; I suggested that it reflected the philosophy we have been hearing from the New Democratic Party, and I think I can stand by that statement. I can conceive of occasions when a tax reduction with a ceiling in terms of dollars would be appropriate, but at this particular time it is not felt to be appropriate.

Mr. Lambert (Edmonton West): Mr. Chairman, my colleague the hon. member for Halifax-East Hants has indicated our attitude with regard to this amendment. We have indicated that this tax cut from a personal point of view was somewhat too low, but really it is a question of whether it is too low or whether it is almost wiped out. I would say quite candidly that I think a 40 per cent cut on a six month basis borders on financial irresponsibility. Not only is it the pattern for this year but it will be in effect for 1972 as well because the minister announced that we will have another bill possibly in 1972. There is an indication that there is a $40 limit, which will eliminate all the rich people. The $40 limit is going to take in the carpenters, plumbers, steel workers, and all those people who are now earning $10 plus, unless they have exceedingly large families. When you consider that a married man with two children and an income of $9,000 pays almost $2,500 in tax, you can see where this $40 limit will apply.

There are a tremendous number of people in this country both within and outside organized labour who earn from $13,000 to $15,000. They will be told that they are the elite and should not get the benefit of this tax cut. These people work hard for their wages and salaries. Why should they be hit that much harder for tax? This whole philosophy of taxation indicates that even some of our present progressive income tax system is regressive.

I would say that this amendment would cost the equivalent of the 1½ per cent provision and perhaps more than the corporate reduction. Is the corporate reduction worth nothing? If the government had been prepared to accept this amendment or had proposed one of its own which would have been of greater benefit within the private sector, then we would have been prepared to forgo the corporate sector because of the amount of money that would be put back into the economy. But on the basis of choice, that extra cash in the hands of corporate business is a benefit for them. Of course, the NDP has a blind spot when it comes to corporations. I do not know where and how they think business is carried on in this country. I suppose they say "eliminate corporate business and nationalize everything".

Had this been a somewhat higher tax proposal with regard to individuals, as I say, we would have been quite prepared to forgo the corporate side; but on the basis of the amendment going as high as it does, it is, frankly, financial and fiscal irresponsibility.

Mr. Benjamin: Mr. Chairman, when my friend the hon. member for Halifax-East Hants took his first look at the amendment I think he misunderstood it and was too quick to leap to his feet to say that it was financially irresponsible and to announce his party's opposition to it. I suspect

that they are stuck with that at the moment because their financial critic supports that view. May I persuade in my usual kind and friendly fashion the Leader of the Opposition, the hon. member for Peace River and other colleagues of theirs—and this applies particularly to the hon. member for Edmonton West—that it might be a good idea to reconsider this matter. If this amendment were accepted, the reduction in tax for a married man with two children whose taxable income is $4,000, to use the figure used by the hon. member for Edmonton West, would be $40 instead of $1.09. If the man's taxable income is $5,000, his reduction will be $40 instead of $4.53. If he is one of those steel workers mentioned by the financial critic of the official opposition whose taxable income is $9,000, which means that his gross income would probably be around $12,000, his reduction will be $40 instead of $20.55. It seems to me that a man's taxable income would need to be somewhere around $12,000 or $13,000 before he could reach that $40 limit.

• (4:40 p.m.)

Surely that would cover all the low and middle income people, be they steelworkers, clerks, or what have you. At the other end of the scale, the reduction for a person whose taxable income is $30,000 would be $40 instead of $152.34, and the reduction for a man with a $100,000 taxable income would be $40 instead of $757.70. I am certain, Mr. Chairman, that my good friend from Halifax-East Hants would like to reholster his gun, rise to his feet and say that, having had second thoughts, he agrees with our position. Possibly the present misunderstanding is our fault, because we did not initially explain our position adequately. We did not tell the committee what the import of this amendment would be. My colleague for Oshawa-Whitby tried to keep his remarks short, to enable us to get through this stage quickly. I hope, after having had second thoughts, that the members of the official opposition will decide that this amendment is worthwhile after all and that it is not financially irresponsible.

Our research people have advised us that this amendment will not involve any greater financial loss to the treasury than the proposal as it reads at present. I hope my arguments will persuade the people on this side of the House. I also hope the Secretary of State for External Affairs will convince his side of the House of the merit of our position, because the point of view that he held a few short years ago coincides exactly with the point of view expressed in this amendment. I do not think the official opposition should object to the amendment; after all, it will provide for our middle and lower income people a substantially greater tax reduction than would be provided by the present bill. At the same time, the cost to the treasury will not be any greater. Surely the parliamentary secretary can tell us why this course is less appropriate now than it was on an earlier occasion.

Mrs. MacInnis: They are financially irresponsible.

Mr. Benjamin: I will leave the matter of corporate tax cuts until we come to clause 4. At present we are dealing with clause 3. Surely, in terms of income tax reductions, our proposal is far more appropriate than the government's proposal in the legislation.

[Mr. Benjamin.]

This amendment would accomplish exactly what the government wants to do, namely to provide money for those in the lower and middle income groups. They are the consumers who would benefit most from this legislation. I am surprised that the government have not used the method we suggest. Have they discussed it? If the Secretary of State for Esternal Affairs would just move over a couple of seats and whisper words of advice in the ear of the parliamentary secretary, I am sure he would have some chance of convincing the parliamentary secretary that the amendment should be accepted. The government at a later date will be glad that the amendment has been accepted, and we shall be happy if the government takes credit for this idea. My main reason in speaking was to point out the advantages of our suggestion to the official opposition in particular. I ask them to think again about the results the amendment would bring, if accepted.

Mr. Kaplan: Mr. Chairman, I had hoped that if I remained silently in my place this afternoon, other hon. members would also show the same restraint and that we might do our duty and complete dealing with this legislation. However, as I sat here and listened to the NDP filling up the pages of *Hansard* this afternoon with their clap trap, I thought I had better put some of my own clap trap on record, and that is what I intend to do.

That party launched its argument on the false theory that a tax reduction is the key to eliminating poverty in Canada. I listened to the hon. member for Vancouver-Kingsway telling us about conditions of poverty in this country, and everyone concedes that they were valid observations about our society. But I suggest that the idea of tax reductions reaching or even affecting people who live in the conditions she described is wholly unrealistic. You cannot, even by reducing taxes by $40, which is the maximum that that party proposes, hope to alleviate the conditions of poverty that she describes. The elimination of poverty is one of the national priorities of Canada, but it is not to be brought about either by tax reform or tax reduction.

I want to look at the tax reduction package and offer what I understand to be the reasons for it. Let me say why I think the government proposal is the only sensible way to do this.

The purpose of this tax reduction, as I understand it, is to stimulate the economy. We should try to create more jobs in Canada and eliminate some of the uncertainty in this country with regard to our economic future. Tax reductions are, it is thought, one way of doing that, but you cannot eliminate poverty with one piece of legislation.

There are a number of ways of stimulating the economy and creating jobs, and one of them, certainly, is by increasing the purchasing power of Canadians, particularly of Canadians who use a large part of their income for consumption. That is the characteristic of low-income people. Therefore, it was thought important to offer tax reductions to people who would put the money they gain back into the economy. That is being done through this measure.

Mr. Benjamin: That was exactly our point.

Mr. Kaplan: That is right, and that is being done through this piece of legislation.

There is another way of stimulating the economy, creating jobs and reducing economic uncertainty. You can do that, as well, by offering tax reductions to the corporate sector and to Canadians with higher incomes. I find myself very often differing with the hon. member for Edmonton West, so it is a pleasure for me to be able to agree with him and repeat the point he made. Corporate tax reductions will have an important effect. They will give confidence to the business community and increase the profitability of business. They will encourage businessmen, since those businessmen will be possessed of extra liquidity, to make additional investments.

I cannot understand why the NDP has what the hon. member for Edmonton West calls this blind spot. Why does that party not concede what is so obvious to anybody who thinks of these matters? Why does it not concede that a corporate tax reduction will bring a stimulating effect to the economy? The reductions will make the economy move more quickly; they will be instrumental in creating jobs for the very people that party is concerned about and on whose behalf it has advanced the amendment. How can one argue that we will eliminate poverty by giving people a $40 tax rebate? I should like to make one other point which perhaps is relevant to the proposed tax reform package put forward by the government. Corporations are not separate entities; corporations are a conduit. The NDP does not realize that these corporations represent stockholders. The profits they earn belong to Canadians—

• (4:50 p.m.)

Some hon. Members: Oh!

Mr. Kaplan: And United States citizens as well. But the tax reduction accorded to individuals is related to the reduction accorded to corporations. I mention this because it is entirely possible for an individual who runs a business or owns part of a business, and who receives a salary, to arrange the stream of income between himself and his corporation in such a way as to minimize the effects of taxation. If you reduce the tax on corporate income without reducing the tax on individual income, or vice versa, you will find individuals responding by making an individual or corporate decision to alter the flow of income. The aim of tax policy is to establish a greater degree of neutrality between the income which goes to an individual and the income which goes to a corporation. It is necessary to make the system work, and to do so there has to be a comparability of taxation as between individual incomes and corporate incomes.

If members of the NDP would think about it, it would be obvious to them that it would defeat the purpose they themselves have in mind if reductions accorded in individual taxes were exaggerated in relation to those accorded to corporations.

These are some of the reasons why I cannot support the NDP amendment or the arguments upon which the amendment is based.

Mr. Nystrom: First, I wish to correct a false impression given by the hon. member for Don Valley. He suggested our party thought we could cure poverty by reducing taxes by $40 a year. This is far from the truth. He knows we cannot seek to amend this bill except in a limited way. We cannot go beyond the sum of $160 million or so mentioned in these provisions. We are seeking to redistribute this sum so that people in the lower and middle income brackets may receive the benefit of tax reductions, not just the wealthy.

It has been said that maybe this amendment reflects our philosophy on taxation. It does. Our guiding principle with respect to taxation is equity. This is one thing we are trying to achieve. The bill before us is not based on equity, but on the exact opposite. The hon. member for Don Valley told us that a person in receipt of a low income would spend the money. Certainly. But under this bill the man with an income of $4,000 would benefit by a tax reduction of $1.09. He really could not go out and better himself and his family on $1.09.

I was not surprised to hear the spokesmen for the Conservative party, including the hon. member for Edmonton West and the hon. member for Halifax-East Hants, say that we in this corner were pursuing a policy of financial irresponsibility. What is so irresponsible about trying to institute a tax system based on equity? If this is irresponsibility, it is the type of philosophy I like. It is the people in the lower income brackets who need money and who spend it. These are the people we should be concerned about.

The financial critic for the Conservative party and others across the way are concerned about tax cuts for the corporations. How many more hand-outs do they wish to give to these people? In the last ten years, gas and oil companies have paid tax on only 5.7 per cent of their profits. How much more generosity do these people need? Why does not the average worker or farmer enjoy this kind of concession? All we are asking for is equity, and this is something which the Conservative party and the Liberal party do not wish to give to the ordinary person in Canada.

Mr. Kaplan: Is the hon. member aware that the gas and oil industry have never taken their profits out of the business? They have left them in and they have continued to invest more money, more than has ever been earned. Does he recognize that this incentive to continue investment in Canada is partly a result of the tax system? And who benefits from this economic stimulation? Who benefits from the increased number of jobs being offered in Canada?

Mr. Nystrom: The hon. member is 100 per cent correct when he says the tax system is partly responsible for the investment made by the gas and oil companies. But I suggest he should read the speech which was made here a while ago in this chamber by his hon. friend from Duvernay before he talks about tax incentives given to the mining and oil companies. Most of these companies are owned by multi-national corporations with head offices in the United States and elsewhere. Over 98 per cent of them are owned outside this country.

The Deputy Chairman: It being five o'clock it is my duty to leave the chair in order that the House may proceed to the consideration of private members' business pursuant to Standing Order 15.

Progress reported.

Mr. MacEachen: On a point of order, Mr. Chairman, it may be we should find out whether the House would be ready to dispense with the private members' hour in the interest of continuing the discussion which has been taking place in the committee.

Mr. Baldwin: I always like to have these public explanations made in connection with any thought of dispensing with the private members' hour. Perhaps we could go even further than that and sit between the hours of six and eight, without in any way restricting the right of hon. members to give adequate consideration to this bill.

I say this because a great many hon. members have arrangements to make late tonight. Would there be any indication forthcoming as to the length of time it would take to complete this portion of our business, supposing we were to sit between five and six and again between six and eight? I am not asking for any undertaking, but some indication of what hon. members have in mind might be of help if we are to assess this situation.

Mr. Knowles (Winnipeg North Centre): I suggest we take it an hour at a time. The issue at the moment is that of suspending private members' hour. We agree to that, and we can consider the other matter later.

• (5:00 p.m.)

The Acting Speaker (Mr. Laniel): Is there unanimous consent to forgo the private members' hour?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The House will now resume the study of Bill C-275, an act to amend the statute law related to income tax, in committee of the whole.

* * *

INCOME TAX AMENDMENTS ACT, 1971

The House resumed consideration in committee of Bill No. C-275, to amend the statute law relating to income tax—Mr. Drury—Mr. Laniel in the chair.

The Deputy Chairman: When the committee rose it was discussing clause 3, on which there is an amendment moved by the hon. member for Oshawa-Whitby.

On clause 3: *Additional deduction from tax.*

Mr. Nystrom: As I was saying, Mr. Chairman, just before we broke for a moment, our amendment is based on one thing, and one thing only, namely equity. We are trying to get more money into the hands of the poor and middle income groups. We realize this is only a part of tax reform, and we realize tax reform is only a part of the fight against poverty. The proposal in our amendment is one of the things we will have to adopt if we are to give a decent break to the lower and middle income groups.

We know that the economic system discriminates against the low and middle income earner. Unless we stop current practices the low or middle income earner will not be free to pursue what he wants economically and socially. The whole capitalistic system accentuates this. It gives rewards to those who make high profits.

[The Deputy Chairman.]

Someone said that hard work earns high profits. I know a lot of people in this country who made a lot of money not because they worked hard but because they had a few lucky breaks, or because they had a rich uncle or a rich grandfather. I know many people who are working hard on farms and in factories but who are discriminated against. We are not saying that they should be given special benefits, but we are saying that there should be equity in the tax system; that their income should be taxed on the same basis as someone who is fortunate enough to have a great deal of wealth.

Hon. members do not realize what this bill does. It is giving a $1.09 tax reduction to a married person with two children earning $4,000, and a $202 tax reduction to the man earning $50,000. The poor fellow who is just getting by on $100,000 will have his tax load reduced by $750. That is the type of equity that the Conservative and Liberal parties want. That is the type of equity I do not stand for and that I am fighting against.

Hon. members opposite talk about initiative. This bill gives initiative only to those people who have a lot of money. What about the small guy? Have they ever thought of giving him some initiative so that he could have a chance to enjoy better housing, buy a few more books for his children, and find better opportunities for his family? We would probably have a better and wealthier society in Canada if this were the case, instead of handing out bigger and bigger carrots to foreign corporations and the wealthy.

Mr. Kaplan: Mr. Chairman, I heard the hon. member say that if we did those things he mentioned maybe we would have a wealthier society than we have today. I thought the same thing as I listened to the hon. member for Duvernay. As much as hon. members opposite want to attack our tax system, attack the economic policies of this country and attack the extent to which we have been dominated by foreign investments, it still cannot be overlooked that we have the second or third highest standard of living of all the countries in the world. This has not resulted from the implementation of the policies that the NDP have been advocating, and it certainly would not result from following the policies advocated by the hon. member for Duvernay.

When I hear attacks on and challenges to the economic policies and tax system of Canada, I concede that there is a lot wrong with the tax system and a lot of reform is required. But it is important to remember that this is the system which produces one of the highest standards of living in the world.

That is not something that the members of the NDP should write off. They come here claiming to represent the interests of the underprivileged. I do not know where they get that mandate, but they claim to do so. But it is seriously wrong for them not to take into consideration the fact that the tax system and the economic policies of our country have been responsible for giving us our high standard of living.

When they complain about the taxes paid by the oil and gas industry and say they should be higher, and that other sectors of the economy should be paying much higher taxes than they, hon. members opposite may be right; but why do they fail to take into consideration the effect that

the policies they recommend would have on the standard of living of Canadians?

Mr. Nystrom: I do consider this effect, Mr. Chairman. But may I point out that we also have the highest unemployment rate of any industrial country in the world, and this is a direct result of the policies we have been following in Canada.

I would like to point out to the hon. member that the standard of living of a large number of Canadians is far from being near the highest in the world. In Sweden the average working person is much better off and has a higher standard of living than the average working person in Canada. Certainly the standard of living is high for a few people in this country, for the select few who are benefiting from the system, but it is not that high for the vast majority of Canadians, certainly not for the 40 per cent of them who are living at or below the poverty line. It is these people I am concerned about, and it is against these people that the tax system works.

Mr. Broadbent: Mr. Chairman, I had not intended to speak on the amendment other than to make the few introductory comments that I made at the outset, but I cannot refrain from replying to the unmitigated nonsense uttered by the hon. member for Don Valley who specializes in creating little caricatures to attack.

He says the NDP have ignored the effects of the economic policies of the Liberal party for the last 25 years. He says we have not acknowledged that those policies have produced growth beyond that produced in other countries. We have acknowledged this. We have said it over and over again. If he wants to listen now, he can hear it again. We do acknowledge this point. But what economists in this country and elsewhere have said is that we pay a very high price indeed for our kind of economic growth.

There are alternative methods that would not involve selling out ownership of the resources of this country. Sweden, the United States and other countries have developed their economies using policies different from those used by the Liberal party here. I grant the point that we have had good economic growth in the past 25 years, but I do not grant that the methods selected by the Liberal party of Canada were the only ones which could achieve that kind of growth.

The second red herring introduced by the hon. member for Don Valley was his suggestion that we were proposing this kind of amendment in order to overcome poverty. That is rubbish. No one in this party has said that adoption of this amendment would overcome poverty. If they did it would be irresponsible and false. What we have said is that the adoption of our amendment would put money into the hands of the poorer people in a much more significant way than the government is proposing.

It is disgusting that a man making $4,000 a year, who has a wife and two children to support, will benefit to the extent of only $1.09 under the provisions of this bill. We say that instead of that man getting $1.09 he should get $40. That will not fundamentally change the earth; it will not overcome poverty, but it might improve that man's situation.

We are also saying that the government should not introduce this across across-the-board tax reduction that gives millionnaires hundreds and hundreds of dollars when tax reduction could be applied in a much more equitable fashion.

• (5:10 p.m.)

The third myth, of course, is that we are not interested as a party in stimulating the economy and that we do not accept that a 3 per cent reduction will have a good effect in generating growth. Again I say that is garbage. I wish the hon. member for Don Valley would listen to the argument. He gets up and creates red herrings and refers to points which never were made. Why does he not listen to the argument and then reply to it?

Let me deal with the 3 per cent which he said would stimulate the economy across the board. I would be pleased to commend the remarks of several economists to the hon. member because they would say that this is hogwash. We want to get money into the hands of the people who will spend it fast, not into the hands of the upper income people who will reinvest it. We all know this measure is intended to deal with the immediate situation, and our amendment would achieve that. It would give the $160 million to everyone earning $9,000, $10,000 or less. Principally that is where most of the money would go. That would have a stimulating effect on the economy. So much for the nonsense talked by the hon. members.

Finally he said we are opposed to corporations. The brilliant financial critic of the Conservative party made the same point; that is, that the New Democratic Party really is not concerned with corporations. That, too, is garbage. Look at what the party across the way is doing in respect of the automotive industry. I have spoken to management people who are very concerned that this government is going to obliterate the auto industry in this country. If anything, they share the views of the New Democratic Party because they say, in terms of responsible industrial growth in the automotive industry, it is our party that talks sense and not the government party.

The government states that the 7 per cent across the board corporate tax reduction is going retroactively to stimulate the economy. Again I would suggest the hon. member read what our economists say, and not necessarily socialist economists, because they would say this is garbage too. The companies which will get the benefits will not create any jobs at all. They will just make windfall profits. The companies that will benefit are all capital-intensive companies. Our party would say that, if we are to have a sensible taxation policy to stimulate the corporate sector of the economy, by all means consider a 7 per cent tax reduction, but make it conditional on the company expanding and on the expansion not being just capital expansion. A corporation policy that would stimulate the economy would make sense, but not what this government is offering.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I should like to say a few words on Bill C-275.

I feel our friends of the NDP are pleading a case "hand over fist", that they would insist that the rich pay more

taxes in order to give more to the poor. I believe that the poor as well as the rich need to live.

The NDP believe that part of our Canadian institutions—large, medium and small—are managed by people who are "filthy" rich. In fact, these people manage their affairs with money that is borrowed, on which they pay extravagant interest rates to finance companies, and who do not know whether or not they will survive till the next day.

We now see large chain stores setting themselves up while daily small enterprises are going bankrupt. Personally, I feel that the more we dispossess some to give to others, the more we will experience those series of bankruptcies and I am convinced that the New Democrats will have to realize, as many others, that we must not dispossess, in order to give to others.

We should realize that there are sufficient resources for rich and poor alike. We should be aware that we have appreciable surpluses. Indeed, our production this year is estimated at $93 billion and we only distributed part of it worth $54 billion. The remainder is capitalized and instead of using it, of organizing our economic system to distribute it, the NDP and many others wish to distribute scarcity. Capital and money are scarce, especially in our country and throughout the world. They want to distribute that scarcity instead of abundance. There is no scarcity, but abundance exists. We are a little smart and we do not want to go further to find the means required to distribute this wealth. There are great means and they can easily be enumerated.

On Christmas eve, several families will not have received their unemployment insurance benefits because of some misunderstandings. The citizens are in a sad situation. Some eight million Canadian citizens are working, but four millions depend on unemployment insurance benefits. It is not by borrowing money, by investing borrowed funds that we will manage to give employment to all citizens.

The New Democrats would like us to take money from those who already have not enough, who are indebted, overindebted, to give to the others, so that all may be poor, instead of living decently.

There is enough for everybody as overproduction exists. In fact, if we were to put all people to work, we could triple or at the very least double our production, thus boosting the purchasing power of everyone. We could enable all to live decently.

When our production increases, the citizen's income decreases, while the opposite should prevail.

• (5:20 p.m.)

We must organize our economy in such a way as to ensure its balance. If production increases, the standard of living of each individual should increase accordingly, and that is the problem. It is not by taking away from those who already do not have enough to give it to others, that we shall solve this problem.

Mr. Chairman, I say that we will not be able to support this amendment, even though we want to see taxes reduced. Taxes should be transformed into social dividends, national dividends, instead of being placed on the shoulders of the taxpayers who are already overtaxed.

[Mr. Latulippe.]

In this House, Mr. Chairman, for over a month we have been talking about increasing taxes, but we cannot see our way out of the dilemma, except by further increases in taxes and indebtedness, and this further increases the cost of living and puts all the people in an unfavourable situation.

We can certainly remedy that and restore balance in our economy. We could adopt only one tax table for everybody, which would be normal. Instead of rising, taxes should decrease. We could issue new credit to finance all new products and all new developments. Debt credit is established and each time there is an attempt to do something, debts are increased.

Closer scrutiny reveal that large corporations which are supposedly millionnaires are driven to bankruptcy. The New Democrats would like us to tax them and fleece them even more to enable us to give more to those who have nothing. But that does not solve the problem.

Mr. Chairman, we shall vote against the New Democratic Party amendment. I feel that it would be somewhat easier to restore the balance of our economy in 1972 if we would just study the economic situation so that citizens may benefit thereby. If production increases and the earth continues to yield produce, there should be no problems for any citizen.

I see hon. members on the opposite side who find it amusing. Yet I believe that some day, when they become aware of their error and recognize their inability to solve the problem, it will seem less amusing to them and they might, having thought it over, suggest peaceful, honest economic ways and means to ensure a decent life for each individual. There is nothing amusing about unemployment areas, debts, and citizens on the verge of bankruptcy. They are amused when half the world is facing bankruptcy. It will not be so amusing in a few years when communism and socialism prevail and we are no longer masters in our own country.

[*English*]

Mr. Gilbert: Mr. Chairman, after hearing the remarks of the hon. member for Oshawa-Whitby with regard to the arguments presented by the hon. member for Don Valley I realize that my colleague was attempting to reach the intellectual capacity of the hon. member for Don Valley. Unfortunately the latter is not here at the moment but I am sure that some of his colleagues on the other side will pass on my remarks to the hon. member for Don Valley.

I must tell hon. members a little story with regard to the hon. member for Don Valley. Last spring he spoke to a high school in my riding.

Some hon. Members: Explain.

Mr. Gilbert: Some time later he said to me—

The Assistant Deputy Chairman: Order, please. Will the hon. member resume his seat. I know the hon. member wants to tell us a little story but the Chair would prefer to hear about the amendment, instead of the story that the hon. member has regarding another hon. member.

Mr. Gilbert: Mr. Chairman, the experience is directly related to the amendment before us. After speaking to a high school in my riding, to the Riverdale Collegiate, he

told me that he was depressed by the attitude of some of the students. He spoke about the "give up" attitude of the students because of the high unemployment rate that we are experiencing in Canada. He said that many of the students felt they could not get jobs even though they were well trained. This made them feel very depressed, and the hon. member expressed his concern to me.

I just wanted to reach the heart of the hon. member for Don Valley and to tell him that as a result of this bill I will have to go back to the riding of Broadview and tell a working man with an income of $4,000, a wife and three children, that when this bill passes he will receive the princely sum of $1.09. I imagine that the hon. member for Don Valley will be able to go back to his riding and tell the people there who have an income of $30,000 or more that they will receive at least $150 or more. I am sure that after the hon. member for Don Valley had expressed his concern for the working man in Broadview who would only get $1.09, whereas the hon. member's friends would get over $150, he would be persuaded to vote for the amendment.

I am not only relating my remarks to the working men in Broadview; I am relating them to all working people. If the hon. member for Parkdale were here he would probably agree with me, as would some of my Conservative friends, such as the hon. member for Cape Breton-The Sydneys in whose constituency there is a high unemployment rate and where wages are depressed. I am sure that they would like to go home and tell the working people in their constituencies that, if the amendment presented by the NDP had passed, they could have at least $40 as a tax credit.

I think the hon. member for Notre-Dame-de-Grâce, who stood in his place yesterday and asked the Minister of Justice about guns and how we should register them to protect the public—and I agree with him—would also agree with me that it would be far better to say that the people of Quebec should at least enjoy a minimum benefit of $40, so that the people of Quebec should at least enjoy a minimum benefit of $40, so that they would not have to buy guns or have a revolution, and we would not have to pass another War Measures Act.

I am sure that the hon. member for Notre-Dame-de-Grâce, who understands the feelings of the people in his riding, realizes how necessary it is to pass this amendment. I could continue by referring to the hon. member for Lanark-Renfew-Carleton, who will be saying on Sunday "Blessed are the poor". If he thinks that the poor are blessed, surely he could give who have an income of $4,000 or less more than $1. I suspect he would want to give them a Christmas charity of a minimum of $40.

I notice that the hon. member for Essex is also present, and I remember the statesmanlike speech that he made.

Mr. Whelan: I rise on a point of order, Mr. Chairman. I want to tell the hon. member for Broadview that I think I know as much about poverty as he does. When he says that my views and his views are similar and that I have concern for the poor, let me tell him that I was raised on a mother's allowance. I have heard nothing but garbage from his party this afternoon. If we all took part in this debate none of us would get out of here. The hon. member is simply taking advantage of the situation.

Some hon. Members: Oh, oh!

The Assistant Deputy Chairman: Order, please.

Mr. Gilbert: I want to assure the hon. member for Essex that I am sure that he has experienced poverty. But I also have experienced poverty.

Mr. Howard (Skeena): Intellectual poverty.

Mr. Gilbert: I can say that we could shorten this debate if the government accepted the amendment and were charitable at Christmas time. What I was really going to say about the hon. member for Essex is that he made a statesmanlike speech with regard to credit unions, and I compliment him for it. I remember him saying that it was one of the most major issues that he had ever faced as a Member of Parliament. Mr. Chairman, I should like to tell the hon. member that this is a major issue which he must face. The question of poverty in Canada may not be striking, because it only involves $160 million, but it indicates an attitude with regard to the working people.

• (5:30 p.m.)

Mr. Whelan: Mr. Chairman, I rise on a point of order.

The Assistant Deputy Chairman: The hon. member for Essex rises on a point of order, and I hope this time it will be a legitimate point of order.

Mr. Whelan: It is a point of order, Mr. Chairman. I should like to tell the hon. member for Broadview that my concern for the poor is as great as his, and my record of dealing with the poor is as great as his, but I do not think we have to be as vocal as they have been this afternoon to prove it. We have done a lot for the poor since I have been a Member of Parliament. The poor of this country are treated better than those in any country in the world.

The Assistant Deputy Chairman: That is a very good point of debate but it is certainly not a point of order.

Mr. Gilbert: Thank you, Mr. Chairman; I appreciate your protection. However, if the hon. member wants to make a speech he can do so, and if his concern is as great as ours he will vote for the amendment. The hon. member for Don Valley said that this tax reform will not eliminate poverty. That is quite true, but this amendment is a step in the right direction. We in the New Democratic Party would go much further than the government has in regard to tax reform; we would bring in other bills to make this a better country for all Canadians.

Mr. Allmand: Why don't you do it in Manitoba and Saskatchewan?

The Assistant Deputy Chairman: Order, please. We should try to debate this matter in the Christmas spirit and display a good sense of humour. This would assist the Chair in properly conducting the debate.

Mr. Gilbert: Mr. Chairman, I enjoyed the remarks of hon. member for Notre-Dame-de-Grâce. I am sure he expresses concern, but I am waiting to see how he votes on this amendment. He certainly presents an attitude of concern to the workers of this country, but we will put him to the real test when the vote is taken.

Mr. Chairman, the hon. member for Don Valley spoke about corporations and their concern about spreading the tax moneys that they might save as a result of the tax decrease of 7 per cent. I would remind him of what we heard in the House yesterday about what corporations are doing with the sales tax allowance which was given on radios, television sets, and so forth. The parliamentary secretary said then that the corporations did not pass the tax allowance on to the consumer and that in fact the price on some of these articles has risen. We had the same result when we granted an excise tax allowance to drug companies—they just put it in their own pockets. I would assume that the same thing will happen to this 7 per cent tax allowance.

I am sure the hon. member for Don Valley will be impressed with the remarks of the hon. member for Oshawa-Whitby concerning the intellectual argument. After all, it is when you go to the heart of a man that he changes and I am sure when the hon. member recalls his experience in my riding with working men and the concern he expressed for them he does not want me to go back there and tell them that the government will give $1.09 to a married man with three children who is earning $4,000 a year. When he goes back to his own riding he can tell his friends there who are making $30,000 a year that they will benefit by $150. I am sure the hon. member for Don Valley will be persuaded to support this amendment.

The Assistant Deputy Chairman: Is the committee ready for the question? The question is on the amendment moved by the hon. member for Oshawa-Whitby.

Amendment (Mr. Broadbent) negatived. Yeas, 13; nays, 56.

The Assistant Deputy Chairman: I declare the amendment lost. Shall clause 3 carry?

Some hon. Members: Agreed.

Some hon. Members: On division.

Clause 3 agreed to.

The Assistant Deputy Chairman: Shall clause 4 carry?

Some hon. Members: Agreed.

Some hon. Members: No.

Clause 4 agreed to: Yeas, 53; nays, 13.

On clause 5—*Additional deduction for manpower training.*

Mrs. MacInnis: Mr. Chairman, I am not going to make a speech, so everybody can relax.

Some hon. Members: Hear, hear!

• (5:40 p.m.)

Mrs. MacInnis: Mr. Chairman, my remarks may be longer if there is interference. At the end of my previous remarks the Minister of Manpower and Immigration said he was surprised to hear that certain questions I had referred to had not been answered. After looking at the order paper, he said he could not find the questions and invited me to tell him where they were to be found. I am sorry he is not present to hear me. I have done as he suggested and I am surprised to find that all the questions have been answered. He was quite right, and I congratulate him for the speed with which his department answered these questions. I have another question and I do not know to whom to direct it. His parliamentary secretary is not present.

Mr. Mahoney: I am here.

Mrs. MacInnis: Mr. Chairman, I want to know whether the legislation, as now worded, precludes on-the-job training contracts being entered into with municipal bodies, governments or voluntary bodies as employers.

Mr. Mahoney: Mr. Chairman, I will convey that question to the minister and transmit the answer to the hon. member.

Mr. Lundrigan: Mr. Chairman, I will speak for only three or four minutes. I have waited since two o'clock to raise certain questions and I am sorry the Minister of Manpower and Immigration is not here to answer questions concerning clause 5. I had hoped that he would make a four or five-minute speech on the manpower training program, which is under his jurisdiction in one sense, and that he would speak briefly about the survey on job vacancies which was tabled today in the House. We have been waiting for that survey to be tabled for several months and I think it is unfortunate that I have to raise my questions at a quarter to six on the day when we adjourn for the Christmas recess. For this reason I will keep my remarks short and direct a couple of questions to the government. I hope the minister will respond to them.

The document I hold in my hand, which is the survey regarding job vacancies, cost the Canadian taxpayer $3.5 million. This survey, the contract for which was let by the Department of Manpower and Immigration, is a comprehensive document and indicates that there are 38,500 jobs vacancies in Canada today despite the fact that over 500,000 people are unemployed. There are several comments I wish to make. Firstly, these vacancies are a clear and categorical repudiation of the statement the Prime Minister made in Montreal recently. He said that if the Canadian people were to fill the job opportunities available, we would not have unemployment in Canada to the extent existing. He suggested that Canadians do not want to go to work. Mr. Chairman, this survey which has been conducted by professionals in the field indicates that there are only 38,500 job vacancies at a time when about 550,000 of our people are unemployed. I am making a "guesstimate" when I say that about 550,000 of our people are out of work on December 23, 1971. If there are 38,500 jobs available, then somewhere along the line we as Canadians have failed in our efforts to bring together those who are seeking work and job opportunities.

In Canada there are hundreds of manpower offices. We have a multimillion dollar program under the auspices of the Department of Manpower and Immigration, yet there are 38,500 jobs which are not filled. People are not aware of these jobs, or training programs are not being integrated correctly and we are not training people to fill these jobs. In the alternative, these 38,500 vacancies cannot be filled by Canadians. Perhaps Canadians are not qualified to fill them.

I notice that opposite is an hon. member from the Lakehead region who is an educator. He is listening to me. I ask hon. members who have been involved in this field and are as interested in it as I am whether these 38,500 jobs are those that Canadians have been trained to fill. If they are, then I suggest there has been lack of co-ordination of effort as between Manpower officials, Manpower centres and industry, because we are not training people to fill these jobs. If, among our 550,000 unemployed, Canadians cannot be found to fill these jobs, it is obvious that we must retrain our workers. Clearly, the implications are serious for our vocational, technical and operating schools across the country.

I would like to think that since this survey has been in the minister's possession for several months—and I raise a big question mark as to why it has not been tabled before today—the minister has evolved some major strategy for implementing in a practical way the suggestions that flow from this document. I suggest that there are hundreds of inferences that members of the House can draw from this document, some of them relating, for instance, to the total lack of co-ordination of effort that I mentioned a moment ago. The phrase "co-ordination of effort" sounds like an ad hoc, fruity phrase without any meaning. When I talk about lack of co-ordination of effort I mean that there has been a breakdown in co-ordination with regard to manpower programs. This breakdown has serious implications for those programs.

Secondly, there are serious implications for our manpower offices. I say that, even though conceding that officials in the Manpower offices across Canada are working diligently, as dedicated public servants, in trying to bring jobs and the people looking for them together. I suggest, nevertheless, that either because of lack of funding or for other reasons Manpower offices are not fulfilling the responsibilities given to them under the legislation. One must conclude that because 38,500 jobs which are available for Canadians are not at present filled.

The minister's predecessor commissioned this study because it was felt necessary for the government to be in possession of such a survey and because it would give members of the government an idea whether the Immigration Act ought to be amended. The report has serious implications with regard to the immigration policies of the government. I understand that the minister brought before cabinet a bill to amend the Immigration Act but that the idea was vetoed by the Prime Minister. So far as I know, there is no further plan to bring in amendments to the Immigration Act. Nevertheless, this document is prime evidence of the fact that the government must spend some time in this House amending the Immigration Act if the implications of the job vacancy survey are to be met and answered.

I will not take much more time, but by these remarks I give notice of questions we shall raise relating to the Immigration Act, relating to the co-ordination of effort I spoke about, relating to Manpower offices and Manpower personnel, to Manpower training programs, to programs affecting industry and to programs affecting employees of Canada. Our questions will relate particularly to our Manpower offices and to the implications flowing from this report. Those are the matters which we shall pursue in the House and we shall ask the government about them.

The information gathered in this report cost us $3.5 million. The situation, as revealed in the report, has existed for several years. The report has not been made available to Canadians, and we do not know why. We intend to pursue this matter vigorously when the House resumes its business after the Christmas holidays. We hope it will return before February 16, the date that was intimated by the leader of the House.

The Assistant Deputy Chairman: Shall clause 5 carry?

Clause 5 agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the said bill be read the third time? By leave, now?

Mr. Knowles (Winnipeg North Centre): By leave, now.

Hon. H. A. Olson (for the Minister of Finance) moved that Bill C-275, to amend the statute law relating to Income Tax, be read the third time and do pass.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I will be even briefer than I was before because of the many hard hearts and thick heads around here.

Some hon. Members: Oh, oh!

Mr. Broadbent: I know another speech will have no effect on the House unless I elaborate. I move, seconded by the hon. member for Winnipeg North Centre:

That Bill C-275 be not now read a third time but that it be referred back to the committee of the whole House for the purpose of reconsidering clause 3 and in particular for the purpose of reconsidering an amendment to clause 3 to increase the deduction therein provided from 1½ per cent to 20 per cent subject to a maximum of $40 for any one taxpayer.

Mr. Speaker: Is the House ready for the question? The question is on the main motion.

The House divided on the amendment (Mr. Broadbent) which was negatived on the following division:

• (6:00 p.m.)

YEAS

Messrs:

Barnett	Nystrom
Benjamin	Peters
Broadbent	Rondeau
Burton	Rowland
Gilbert	Saltsman
Howard (Skeena)	Skoberg
Knight	Tétrault
Knowles (Winnipeg North Centre)	Thomson (Battleford-Kindersley)—17.
MacInnis (Mrs.)	

NAYS

Messrs:

Alkenbrack	Bell
Allmand	Benson
Badanai	Blouin
Baldwin	Borrie
Basford	Boulanger
Béchard	Buchanan

Messrs:

Caccia	McCleave
Cafik	McGrath
Clermont	McKinley
Cobbe	McNulty
Code	Mahoney
Comtois	Major
Corbin	Marceau
Corriveau	Marchand
Côté (Richelieu)	(Kamloops-Cariboo)
Côté (Longueuil)	Murphy
Crossman	Murta
Crouse	Nowlan
Cullen	O'Connell
Danson	Olson
De Bané	Orange
Drury	Ouellet
Dupras	Paproski
Duquet	Pelletier
Forget	Penner
Forrestall	Pepin
Foster	Perrault
Francis	Portelance
Gendron	Pringle
Gillespie	Prud'homme
Goyer	Reid
Grills	Richardson
Guilbault	Ritchie
Gundlock	Roberts
Haidasz	Robinson
Hopkins	Rock
Howard	Sharp
(Okanagan Boundary)	Smith
Kaplan	(Northumberland-
Lachance	Miramichi)
Laing	Smith (Saint-Jean)
(Vancouver South)	Stafford
Lajoie	Stanbury
Lambert	Stewart (Cochrane)
(Edmonton West)	Stewart
Lang (Saskatoon-	(Okanagan-Kootenay)
Humboldt)	St. Pierre
Langlois	Thomas
Laniel	(Maisonneuve-
La Salle	Rosemont)
Leblanc (Laurier)	Thompson (Red Deer)
Lessard (LaSalle)	Trudeau
Lessard	Trudel
(Lac-Saint-Jean)	Turner (London East)
L'Heureux	Wahn
Loiselle	Walker
Lundrigan	Watson
MacEachen	Weatherhead
Macquarrie	Whelan
McBride	Whiting—109.

• (6:20 p.m.)

Mr. Speaker: I declare the amendment lost.

I am sure it would be of interest to hon. members to learn that Mr. Gordon Dubroy, Clerk Assistant of the House of Commons, today reached a milestone in his distinguished career. He has just completed calling the one thousandth division of his career.

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members and visitors to our galleries who have had the experience of watching Mr. Dubroy on these occasions have been not only impressed but astonished by his ability every time to perform this very difficult exercise in so flawless a manner.

Some hon. Members: Hear, hear!

[Mr. Speaker.]

Mr. Speaker: I know all hon. members would want me to express to Mr. Dubroy on their behalf our continuing affection and admiration for his distinguished services to the House of Commons. We wish him many more divisions.

Some hon. Members: Hear, hear!

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

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it is a temptation to give Mr. Dubroy a chance for his one thousandth and first time, but we will settle for "On division."

Mr. McCleave: Mr. Speaker, I heard Mr. Dubroy make one mistake back in 1966. I would not want to mar the evening by having that possibility happen again, so we will dispense with the division.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: On division.

Motion agreed to and bill read the third time and passed.

Mr. MacEachen: Mr. Speaker, I would suggest that the House rise until Your Honour calls us after the other place has completed consideration of this bill, when we might wish to reassemble for royal assent.

Mr. Baldwin: I would be agreeable, Mr. Speaker. We will be around for a few minutes yet.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Speaker: The House will therefore suspend its sitting until the call of the bells.

SITTING SUSPENDED

At 6.18 p.m. the sitting was suspended.

• (7:40 p.m.)

SITTING RESUMED

• (7:50 p.m.)

The House resumed at 7.55 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Government House
Ottawa, December 23, 1971

Sir,

I have the honour to inform you that the Honourable Roland A. Ritchie, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today at 7.55 o'clock p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,

sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of the honourable House in the chamber of the honourable the Senate.

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

• (8:00 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Copyright Act

An act to amend the Customs Tariff

An act to amend the Excise Tax Act and the Old Age Security Act

An act to amend the Income Tax Act and to make certain provisions and alterations in the statute law related to or consequential upon the amendments to that act

An act to amend the statute law relating to income tax.

BUSINESS OF THE HOUSE

Mr. MacEachen moved:

That this House do now adjourn.

[*Translation*]

I have the pleasure of reminding hon. members that if they have a moment before leaving the House to join their families, I shall be most happy to welcome them in Room 16 to wish them and their wives and families a Merry Christmas.

[*English*]

Mr. Danforth: And a merry Christmas to you, Sir.

Mr. Speaker: When we are back next week I shall have the opportunity to wish hon. members a happy New Year.

Motion agreed to.

Mr. Speaker: Pursuant to the order made earlier this day, the House will adjourn until two o'clock in the afternoon of Tuesday, December 28, 1971.

At 8:10 p.m. the House adjourned, pursuant to special order, until 2 p.m. Tuesday, December 28.

HOUSE OF COMMONS

Tuesday, December 28, 1971

The House met at 2 p.m.

HOUSE OF COMMONS

CONGRATULATIONS TO PRIME MINISTER ON BIRTH OF SON

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I rise on a question of privilege, a point of order and a matter concerning the business of the House. In the absence of the Leader of the Opposition (Mr. Stanfield), on his behalf, on behalf of all members of this party and, I think, all members of the House, as well as all the people of Canada, I extend to the Prime Minister (Mr. Trudeau) and Mrs. Trudeau our very warm and sincere congratulations on their new arrival. We hope that his wife and new baby will be home soon. We wish them joy.

I resisted all kinds of advice as to what to say at this time. I have stayed away from witticisms. However, I am entitled, on a Parliamentary issue, to say to the Prime Minister that he will have joy and happiness. There will be problems, of course, but it will be useless in the debates that may take place from time to time to employ 75C. It just will not work.

Some hon. Members: Hear, hear!

Mr. Baldwin: I suggest that he learn by heart the provisions of Standing Order 13 which contains the procedure when there is a stranger in the House.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am very happy, on behalf of this party, to extend our warmest congratulations to the Prime Minister (Mr. Trudeau) and Mrs. Trudeau on the happiness that came to their life Christmas night.

Around this place, one frequently looks for precedents, especially when there is something one must say. I thought, since so much has been made of the fact that only on one previous occasion has a Prime Minister while in office become a father, that I might find something in the records of February 1869, that would be appropriate. Alas, my search was in vain. The House was not sitting in February, 1869. When it did meet in April, nothing was said about the arrival that February of a daughter in the home of the then Prime Minister. This means, Mr. Speaker, that this really is a first.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): This is the first time in the history of Canada that the House of Commons has had the opportunity to extend to a Prime Minister and his wife congratulations on the arrival of their child. We do so with great pleasure and wish them all very real happiness.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I am very happy to extend, in my own name and on behalf of my colleagues of the Social Credit party, most sincere congratulations to the right hon. Prime Minister (Mr. Trudeau) and Mrs. Trudeau on the birth of a son, occurring on such a memorable date.

We wish the new baby and the Trudeau family every happiness and success during 1972.

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I wish to thank members of all parties for the very good wishes that have been expressed on behalf of every member of this House. I want to say that this is certainly the right season for this to happen. The House leader of the Conservative party, by his reference to rule 75C, has said that this is one way in which I could proceed. I hope I will be able to use 75B a bit more often.

Some hon. Members: Oh, oh!

• (2:10 p.m.)

Mr. Trudeau: But one way or another, the baby has arrived 'just-in' time to have agreement.

This is one case where I would be able to tell him that I have had advice from people of all parties who have had some experience in the rearing of children and that there will be a multi-party approach to this. Mr. Speaker, I will say this is one area where I am certainly very happy to receive advice from the opposition parties.

[*Translation*]

And I particularly tell all hon. members that it is a memorable day for me when I am the object of such a warm reception from everyone.

Mr. Roch La Salle (Joliette): Mr. Speaker, with regard to this very memorable day and considering that all parties have offered their good wishes to the Prime Minister, may I, on behalf of my electors of the Joliette riding, offer my very best wishes to the newborn child, to the Prime Minister and to Mrs. Trudeau, as well as to the members of their families.

* * *

[*English*]

AIR TRANSPORT

SECURITY MEASURES AGAINST HIJACKING—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to ask the unanimous consent of the House to move a motion under Standing Order 43. It is a motion which I

consider to be of major and pressing importance. On November 18, the Minister of Transport made the following statement in answer to my question on hijacking and the need for improved security measures. As recorded at page 9675 of *Hansard* for November 18, the minister said:

I do not think it is a breach of secrecy to indicate that detection devices have been installed at a number of airports and that others are on order. As soon as they have been received they will be installed.

This is the purpose of my motion under Standing Order 43 because, notwithstanding what the minister said on November 18, my advice is that no detection devices have been installed at any airports in Canada. This situation calls into question the veracity, and indeed the competence, of the Minister of Transport and the efforts of the government—

Mr. Speaker: Order, please. Would the hon. member resume his seat. The hon. member knows the rules. He cannot take advantage of the Standing Order to make a speech and accusation. He can propose a motion and indicate the urgency for putting the motion. Certainly, the hon. member does not respect the spirit of the rule when he makes a statement such as he has just made.

Mr. McGrath: Mr. Speaker, I was laying the groundwork by pointing out the events related—

Mr. Speaker: Order, please. The hon. member cannot discuss the ruling of the Chair. He should indicate the motion he proposes to put to the House.

Mr. McGrath: With respect, Mr. Speaker, I am not discussing the ruling, but I think I have the right to lay the groundwork for my motion and that is precisely what I have been attempting to do. I want therefore, to ask unanimous consent—hon. members may indeed laugh, but this is a very serious matter—to move the following motion seconded by the hon. member for Peace River (Mr. Baldwin):

That this House direct the Minister of Transport to make a full statement to the House tomorrow spelling out what was done prior to the minister's statement of November 18 and the extent of the use of detection devices and other security programs that will now be employed to prevent air piracy in Canada.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

• (2:20 p.m.)

UNEMPLOYMENT INSURANCE

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

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise under Standing Order 43 to ask the unanimous consent of the House to propose the following motion of urgent and pressing necessity.

[Mr. McGrath.]

I move, seconded by the hon. member for Hamilton West (Mr. Alexander):

That this House do initiate a special investigation of delays in the payment of unemployment insurance benefits to be undertaken by the Standing Committee on Labour, Manpower and Immigration, and further, that this committee do meet immediately to commence this investigation, so that a full report might be made to this House upon its return after the recess.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

Mr. Horner: On a point of order, Mr. Speaker. I have listened very closely to the remarks of the hon. member for St. John's East (Mr. McGrath) in which he gravely questioned the word of the hon. Minister of Transport (Mr. Jamieson) given to this House on November 18. He said, in fact, that the Minister's statement was erroneous and gave the minister until tomorrow to clear his name and set the record straight. I agree with the hon. member for St. John's East that the minister should be given until tomorrow. I, therefore, move:

That until tomorrow, and until the record is set straight, this House should stand adjourned.

Mr. Speaker: Has the hon. member a seconder for the motion? Will the hon. member kindly put the motion in writing and I will put it to the House.

An hon. Member: Somebody write it for him.

Mr. Speaker: Mr. Horner, seconded by Mr. Downey, moved that this House—the hon. member did not put the motion in the correct form, so with his permission I will use the traditional form which would be "That this House do now adjourn". The hon. member's suggested motion reads, "I move that this House do now stand adjourned until tomorrow". The traditional form is simply "That this House do now adjourn".

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more that five members having risen:

Mr. Speaker: Call in the members.

The House divided on the motion. (Mr. Horner) which was negatived on the following division.

YEAS

Messrs:

Alexander	Bell
Baldwin	Bigg
Beaudoin	Cadieu

Messrs:

Carter
Coates
Crouse
Danforth
Downey
Forrestall
Godin
Hees
Horner
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lundrigan
MacKay
MacLean
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Matte
Mazankowski
Moore
Nowlan
Paproski
Ryan
Schumacher
Skoberg
Southam
Tétrault
Yewchuk—41.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barnett
Basford
Béchard
Beer
Benjamin
Benson
Blackburn
Blouin
Borrie
Boulanger
Brewin
Buchanan
Burton
Caccia
Cafik
Chappell
Clermont
Cobbe
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cullen
Cyr
Danson
Deachman
Drury
Duquet
Faulkner
Forget
Foster
Francis
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Hogarth
Howard (Okanagan Boundary)
Howard (Skeena)
Isabelle
Jamieson
Kaplan
Knight
Knowles (Winnipeg North Centre)
Laing (Vancouver South)
Lajoie
Lang (Saskatoon-Humboldt)
La Salle
Leblanc (Laurier)
Legault
Lessard (LaSalle)
Loiselle
Macdonald (Rosedale)
MacEachen
Mackasey
McBride
McIlraith
Mahoney
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Mather
Murphy
Nystrom
O'Connell
Olson
Ouellet
Pelletier
Penner
Perrault
Peters
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Rochon
Rock
Rose
Rowland
Roy (Laval)
Saltsman
Sharp
Smith (Saint-Jean)
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomson (Battleford-Kindersley)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Weatherhead
Whelan
Whicher
Whiting—108

• (2:30 p.m.)

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

WARNING FROM OECD REGARDING INFLATION—GOVERNMENT POLICY TO COMBAT—EFFECT ON UNEMPLOYMENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister but before asking it I would like, as a member of long-standing, to welcome the newest member into the fathers' club, and to tell him there are many of us in this chamber who have had vast experience in bringing up children. We will be happy to pass along to him the benefit of this experience, with or without invitation. We are all experts; all he has to do is just listen.

My question is: In view of the OECD warning that strong inflationary pressures can be expected in Canada in 1972, is the government expecting in the near future to announce new policies to combat inflation during the new year?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, we are taking these warnings seriously, and all the more so in that we ourselves are aware of that ever present danger of a recurrent inflationary push, although the past experience of the government in combating inflation has been reasonably successful in terms of the OECD, and we are keeping watch. If anything has to be announced we will announce it in the usual manner.

Mr. Hees: As a supplementary question, Mr. Speaker, in making its plans in this regard for next year, can the Prime Minister assure the House that the government has no intention of slowing down the economy and thereby allowing unemployment to remain at 6 per cent or higher?

Mr. Trudeau: Yes, Mr. Speaker.

[*Later:*]

FOREIGN INVESTMENT—DATE OF ANNOUNCEMENT OF GOVERNMENT POLICY

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister concerning the recommendation of the OECD to the effect that Canada should be able to finance most of its investment needs from its own savings. Would the Prime Minister inform the House whether or not it is government policy to restrict foreign capital inflow to Canada through some sort of mechanism?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as one of our new year projects we do have to announce a policy regarding the domestic control of the economic environment, and the hon. member will find the answer to that question when we make that announcement.

PRICE AND WAGE CONTROLL—POSSIBILITY OF IMPOSITION

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. Does the government have price and wage control measures ready to enact, if it decides to do so?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have been stating for more than a year that we would look into the possibility of price and wage controls as a contingency measure. They are still there, if we do have to use them. I hope if we ever do, we will have the support of members on both sides of this House.

Mr. Ryan: Mr. Speaker, do I take it that the Prime Minister is saying yes to my question, and that the government has such measures prepared and ready?

* * *

PRICES AND INCOMES COMMISSION

REPORT ON CAUSES AND EFFECTS OF INFLATION—DATE OF PUBLICATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a further supplementary question to the Minister of Consumer and Corporate Affairs. Would the minister advise the House when the report of the Prices and Incomes Commission on its studies into inflation, its causes and effects, will be made available, since the minister assured the House it would be available in the near future?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am advised it will be early in the new year.

TERMINATION DATE—POSSIBLE CHANGE IN TERMS OF REFERENCE

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Could the minister tell the House what is the temporal mandate of the Prices and Incomes Commission?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): What is the temporal what? I am sorry, I don't understand the question.

Mr. Lundrigan: Then, perhaps I may rephrase my question. Could the minister tell us in a nutshell whether, in fact, the Prices and Incomes Commission is empowered to carry on for the duration of 1972, and whether it has any broader terms of reference than were originally given?

Mr. Basford: No, Mr. Speaker. Its terms of reference are spelled out in the various orders in council that appointed and reappointed it. Its present existence continues into the middle of next year.

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THE CANADIAN ECONOMY

RESOURCE INDUSTRIES—MEASURES TO MAKE MORE ATTRACTIVE TO DOMESTIC CAPITAL

Mr. William Knight (Assiniboia): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the prediction by OECD that foreign capital will continue to be attracted by the opportunities in our natural resource industries, would the Prime Minister tell the House whether or not the government intends to take steps that would make our resource industries less attractive to foreign capital and more attractive to domestic capital?

Right Hon. P. E. Trudeau (Prime Minister): Well, Mr. Speaker, we are trying to make them attractive to domestic capital by actions we have already taken, for instance, in the income tax reform. However, we do not see that the resource industries themselves, the resources, will be less attractive to foreign capital, but we hope to make sure that Canadian capital has priority in investments.

* * *

AIR TRANSPORT

HIJACKING—ALLEGED FAILURE TO TAKE PREVENTIVE MEASURES AT AIRPORTS—CO-OPERATION WITH AIR LINE PILOTS ASSOCIATION

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I wish to direct a question to the Minister of Transport. In view of the promise that additional security measures would be installed at air terminals, and in view of the fact that there are no physical signs evident of such installations, can the minister say why such installations have not been installed since representations to that end were made to him as far back as February, 1971, almost a year ago?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have gone through this exercise on several occasions in the House and it is obvious that my capacity to communicate has been somewhat less than complete. I have indicated before that a number of such devices have been in use from time to time at various airports throughout Canada. The signs concerning security installations refer to personal checking, and when such a sign is in place it does not necessarily mean that both the personal check and the automatic check will be carried out. That is perhaps the reason the hon. member is asking for this explanation.

Mr. Skoberg: As a supplementary question, Mr. Speaker, in view of the statement made by the Minister on November 18 in answer to a question put by the hon. member for St. John's East that such installations were then on order, and in view of his further statement that the department had agreed to pay for them so that the burden of the cost would not be borne by the airlines, and in view of the fact that there is a clear indication that

there have not been any installations installed, would the minister say why there has not been better co-operation between his department and the Canadian Airline Pilots Association in this regard, to bring about the security measures that we would expect to be enforced?

Mr. Jamieson: Mr. Speaker, there are a great many hypotheses in that question, if it can be called a question, that I would like to refute. I said on November 18 that additional equipment had been ordered. This, in fact, is the case. I have re-read that answer thoroughly and I am satisfied that each word in it is accurate. Further, I would like to indicate that we have been in constant consultation with the Canadian Airline Pilots Association. If there is anything further that the pilots have to propose by way of specific measures relating to my responsibilities I would be happy to consider them, and implement them if at all possible.

HIJACKING—NUMBER OF PREVENTIVE DEVICES OPERATIVE AT AIRPORTS—REQUEST FOR STATEMENT ON PREVENTIVE MEASURES

Mr. James A. McGrath (St. John's East): Mr. Speaker, as a supplementary question, in view of the minister's reply on November 18 that devices had been installed at a number of airports, may I ask the minister if these devices are operative, at what dates they were operative, and how many have been installed?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, even if I had that information obviously I would not make it known publicly. I believe the hon. gentleman knows there have been cases where they have been in operation. I would refer the hon. member to the second part of my answer on that date when I replied to one of his colleagues who referred to the fact that these devices were portable. As I say, I do not know the dates on which they were operative at particular airports, but if I can find out and provide this information without risk to the travelling public, I will do so.

Mr. McGrath: As a further supplementary, Mr. Speaker, in view of the fact that the gentleman who pulled off the recent successful hijacking said he came to Canada for this purpose because it was easy to do it in Canada, may I ask the minister if in the public interest—

An hon. Member: He did not say that.

Mr. McGrath: He is alleged to have said something to that effect, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. McGrath: Mr. Speaker, I am prepared to stand by the very reliable information that I have on this matter, and I am sure the minister knows it is reliable. I merely want to ask—

Some hon. Members: Oh, oh.

Mr. Speaker: May we have order, please? The hon. member for St. John's East has the floor for the purpose of asking a question.

Mr. McGrath: Mr. Speaker, I can assure you my authority is as good as the authority that the hon. member has.

Mr. Peters: Sure. You just dreamed it up.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear!

• (2:40 p.m.)

Mr. McGrath: The hon. member takes second place to nobody when it comes to dreaming things. Because this is a matter of great public importance and urgency may I ask the minister if he would be prepared, in the public interest, to point out exactly what security precautions we are taking at our airports in Canada to prevent hijackings.

Mr. Jamieson: Mr. Speaker, if I were to do that, then the hon. gentleman's comment with regard to hijackers would be exactly right, because I would be inviting them to learn exactly what precautions we are taking. Obviously, the question cannot be dealt with in that way.

Mr. McGrath: Why? Because we are not taking precautions?

Mr. Jamieson: As for the comment regarding the hijacker's alleged statement about this being easy to do in Canada, I hardly think that that stands up, since the last man to try it got hit over the head with a hatchet.

Some hon. Members: Hear, hear!

* * *

[*Translation*]

EXTERNAL AFFAIRS

INCLUSION OF AIR PIRACY IN EXTRADITION TREATY WITH CUBA

Mr. Gérard Laprise (Abitibi): I would like to direct a supplementary to the Secretary of State for External Affairs, Mr. Speaker.

Could he tell us if the government intends to undertake negotiations with the Cuban government so as to include air piracy in the extradition treaty concluded with that country?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. These negotiations have been underway now for some time. There has been excellent co-operation on the part of the Cuban government and we hope in the very near future that there will be a treaty of this kind between Canada and Cuba.

Mr. Forrestall: When?

* * *

[*Translation*]

MANPOWER

LOCAL INITIATIVES PROGRAM—CRITERIA—RESULTS OF PROJECTS APPROVED

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to direct a question to the Minister of Manpower and Immigration.

Inquiries of the Ministry

Could he tell the House if the results of projects undertaken under the local initiatives program satisfactorily meet the government's criteria?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the applications being approved, do of course meet our criteria to the extent that we can determine.

[*Translation*]

EFFECTS OF LOCAL INITIATIVES PROGRAM RATE OF UNEMPLOYMENT

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to ask the minister a supplementary.

Would he say if now at the end of the year the unemployment rate has decreased or increased?

Mr. Speaker: This is statistical information. The hon. member might put his question on the order paper.

* * *

[*English*]

AIR TRANSPORT

HIJACKING—RATIFICATION OF CONVENTIONS—AMENDMENTS TO CRIMINAL CODE

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my supplementary question relates to the previous round of questioning regarding air piracy and hijackings. I understand that Canada intends to ratify both The Hague and Montreal conventions on this subject. Since the Canadian ratification of these two conventions depends upon amendments to the Criminal Code which we were promised about one year ago would be brought forward in the immediate future, may I ask the Minister of Justice when these particular amendments or appropriate amendments will be coming forward.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, domestic legislation not only depends on multilateral treaties; it also depends on the ratification of bilateral treaties with the United States, Cuba and other nations. When that treaty picture is completely in place, domestic legislation will be immediately forthcoming.

Mr. Speaker: The Chair will recognize the hon. member for St. John's East and then the hon. member for Peace River. Later during the question period we may return to this interesting subject.

[*Later:*]

HIJACKING—MEASURES TO PROTECT CANADIANS

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I ask the Solicitor General what security arrangements he is making to protect Canadians from hijacking in Canada.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I do not think it would be proper to comment on that.

[Mr. Latulippe.]

[*English*]

HIJACKING—REQUEST FOR TABLING OF LEGISLATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, my question is directed to the Minister of Justice. Since the Speech from the Throne 15 months ago announced there was to be legislation with regard to air piracy, will the Minister of Justice table that bill at present, if there was in fact such a bill on that date.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I said on several occasions that domestic and international aspects of the problem have to be dealt with simultaneously. When that has been done, the bill will be forthcoming.

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EXTERNAL AFFAIRS

AIR PIRACY—DATE OF COMPLETION OF EXTRADITION TREATIES

Mr. Doug Rowland (Selkirk): Mr. Speaker, my question is for the Secretary of State for External Affairs. Since the Minister of Justice has indicated that amendments to the Criminal Code are dependent on the successful completion of multilateral and bilateral treaties, can the minister indicate to the House when he expects those treaties to be successfully concluded.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, so far as the treaty between Canada and Cuba is concerned, we expect that it will be forthcoming fairly soon. The second and, I hope, final round will take place very soon. Perhaps I ought to explain to the House that it is quite possible to take legal action under the existing extradition treaty between Cuba and Canada; it does not depend upon any future treaty.

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TRADE

CANADA-UNITED STATES AUTO PACT—POSSIBLE REMOVAL OF SAFEGUARDS—CONTINGENCY PLAN TO COUNTER DISC PROGRAM

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, may I direct a question to the Prime Minister. It has to do with negotiations taking place on the automobile trade pact between Canada and the United States and is based on the statement by the right hon. gentleman that perhaps the United States is justified in asking for some amelioration of the safeguards and the statement of the Minister of Industry, Trade and Commerce in the House that perhaps the auto industry does not need such safeguards. May I ask the right hon. gentleman, first, if the automobile industry and the government of Ontario share in this optimism and, second, if he is aware of a contingency plan that can be implemented quickly if the DISC program should prove that jobs will be exported from this country to the United States.

Mr. Speaker: Order, please. I have some serious doubts about the legitimacy of the first part of the question. The

hon. member asked the Prime Minister whether somebody else shares the views or optimism of the Prime Minister on a certain matter. I am not sure that a question asked in those terms is in order. Perhaps the Prime Minister could reply to the second part of the question, and then the hon. member could ask a supplementary.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, before coming to the second part of the question, I want to point out to the hon. member that if he looks at the answer I gave on this subject he will find that I said that the United States might be justified in asking for it and that we might be justified in not giving it. It would depend on what the conditions of the negotiations were. As to the second part of the question about the DISC program, I must say that that program is not related to the negotiations on the auto pact.

CANADA-UNITED STATES AUTO PACT—CONSULTATION WITH ONTARIO GOVERNMENT AND INDUSTRY ON REMOVAL OF SAFEGUARDS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, may I ask a supplementary question on the first part of my previous question. May I ask the right hon. gentleman if the government has conferred with the automobile industry and the government of Ontario with regard to whether the actual outcome of the negotiations would in any way reduce the safeguards affecting the automobile industry.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. The Minister of Industry, Trade and Commerce has talked with the automobile industry in Canada at some length. As far as the Ontario government is concerned, there has been an exchange of correspondence between the two governments. I suggested that the government of Ontario might make their views known to us. There have already been meetings, and I am told that there will be a meeting between the ministers of Ontario and our government again next week.

* * *

OIL

REQUEST FOR REVIEW OF NATIONAL POLICY IN VIEW OF ACTION TAKEN BY VENEZUELA

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Acting Minister of Energy, Mines and Resources. I wonder if the minister would indicate, on behalf of the government, that he will be prepared to make a statement to the House regarding the government's assessment of the action of the government of Venezuela in rapidly escalating taxes on oil for export to Canada. In light of the conclusions reached by the government, can he say whether the government will undertake a review of national oil policy, so as to assure a greater share of the Canadian market for Canadian oil?

Hon. Otto E. Lang (Acting Minister of Energy, Mines and Resources): Mr. Speaker, I am happy to assure the hon. member that when the appropriate time comes for a statement to the House, it will be made. Of course, we are attempting to take into consideration all factors in the world in relation to oil and gas in the development of our own policy.

Mr. Lambert (Edmonton West): A supplementary question, Mr. Speaker. In assessing those conclusions, I wonder whether the minister would look at the effect on the Canadian economy, along with his colleague, the Minister of Consumer and Corporate Affairs, resulting from the major price increase.

Mr. Speaker: Order, please. I believe that that is a suggestion or a representation.

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INDIAN AFFAIRS

COLD LAKE—FUTURE ARRANGEMENTS OF DEPARTMENTAL OFFICIALS FOR CHRISTMAS CELEBRATIONS

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development which arises from reports regarding certain Christmas amenities to members of the Cold Lake band in the Alberta region headquarters of his department. I would like to ask the minister whether members of his department are making preparations to help celebrate next Christmas on the top of the CNR tower or whether the minister has constructive steps in mind to bring about an end to the situation before that time?

• (2:50 p.m.)

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I feel that the Indians of Cold Lake should follow the example of other Indians in northern Alberta who sent their children back to school for their own welfare.

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[*English*]

FISHERIES

ATLANTIC SALMON—POSSIBLE AGREEMENT TO CEASE FISHING—ACTION AGAINST COUNTRIES REFUSING TO FOLLOW INTERNATIONAL CONSERVATION PROGRAMS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Secretary of State for External Affairs. In view of the statement by the Minister of the Environment on December 24 indicating that the high seas fishing of Atlantic salmon puts into grave question the survival of that fishery, will the minister advise what emergency steps Canada has taken to resolve this crisis?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we have been in constant discussion with the countries that are involved in the Atlantic salmon fishery. We are continuing these discussions. We are striving, of course, to see an end to high seas fishing of salmon, but we do not have any fleet that could prevent other countries from salmon fishing if they so decide.

Inquiries of the Ministry

Mr. Marshall: A supplementary question. In view of the action taken by the United States to prohibit fish imports from countries whose fishing operations diminish the effectiveness of international conservation programs, will the minister advise if Canada will be taking like action against these countries?

Mr. Sharp: I will take the suggestion under consideration, Mr. Speaker.

ATLANTIC SALMON—POSSIBLE INCLUSION IN TREATY WITH DENMARK—REQUEST FOR TABLING OF DOCUMENTS

Mr. John Lundrigan (Gander-Twillingate): A supplementary question. Can the minister indicate whether the present discussions between Denmark and Canada involving the signing of a treaty have any reference to the present salmon fishing on the high seas? Also, will the minister assume his responsibility and table the documentation with regard to that particular treaty?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, my understanding of the treaty that has been initiated by the officials is that it deals with the phasing out of fishing operations in Canadian waters.

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[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Solicitor General.

Since a year ago, Mr. Geoffroy, a notary of Saint-Jean-de-Matha was given a life sentence for having killed his wife and since he was authorized to make a short wedding trip but did not return to the fold last night, could the Solicitor General tell us when we will again see the newly-weds?

* * *

[*English*]

SCIENCE AND TECHNOLOGY

GOVERNMENT POLICY ON RESEARCH BY FOREIGN SUBSIDIARIES

Hon. J. A. MacLean (Malpeque): I would like to address a question to the Minister of State for Science and Technology. In light of the conclusion of a recent study of the Science Council of Canada on foreign investment that United States subsidiaries in Canada are restricted in their research and development, what new action is the government taking to require or encourage foreign owned subsidiaries to do more or at least a fair share of their research and development in Canada?

Hon. Alastair Gillespie (Minister of State for Science and Technology): Mr. Speaker, when the Leader of the Opposition asked a similar question last week, I stated I was studying the report of the Science Council and would be making recommendations to my colleagues in due course.

[Mr. Sharp.]

EXTERNAL AFFAIRS

VIET NAM—INCREASED BOMBING BY UNITED STATES—GOVERNMENT ACTION

Mr. Andrew Brewin (Greenwood): My question is for the Secretary of State for External Affairs. Will the government express its regret at the serious escalation of the United States air strikes in North Viet Nam and the use of a monstrous weapon which is said to kill everything within 3,000 feet?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I am not sure about the facts. Perhaps the hon. member is clearer than I am about the device that has been described in the newspapers today. In reply to his first question, I can say that we have publicly stated in the past that we condemn any action that may widen the war in Indo-China. I have no hesitation in again saying this with respect to the bombing operations in North Viet Nam.

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TRANSPORT

MARITIME PROVINCES—POSSIBLE INCREASE IN CHARGES RESULTING FROM DARLING REPORT—GOVERNMENT ACTION

Mr. Robert C. Coates (Cumberland-Colchester North): My question is for the Minister of Transport. The minister has been receiving representations from various groups of individuals with regard to proposed increases and transportation costs in the Maritime Provinces early in the new year. Can the minister inform the House what action he has taken to date with regard to these representations?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I am afraid that offhand I cannot relate the hon. member's question directly to representations. Is the hon. member referring to some railway rate increase? Is this specifically what he is seeking?

Mr. Coates: Mr. Speaker, I am referring to increases in demurrage charges and other things to take effect as a result of the Darling report early in the new year.

Mr. Jamieson: Here again, I have to say there has been no decision with regard to implementation of the Darling report. If any such action is contemplated, it is entirely separate from that. Perhaps the hon. member will be good enough to give me the details and I will look into them if, in fact, they have not been looked into already.

Mr. Coates: For clarification purposes, I wrote the minister and he sent me a reply, which he signed. He indicated that there was a committee in his office which was looking into that. I wonder if he will check into this with the committee.

Mr. Speaker: Order, please.

Inquiries of the Ministry

[*Later:*]

DARLING REPORT—IMPLEMENTATION OF RECOMMENDATION OFFSHORE DRILLING RIGS BE DESIGNATED CANADIAN PORTS

Mr. John Lundrigan (Gander-Twillingate): I wish to direct a supplementary question to the Minister of Transport. Will the minister give consideration to accepting the recommendation of the Darling report which would designate offshore drilling rigs as Canadian ports in an attempt to increase the Canadian labour content in the offshore exploration?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have already stated that the objectives the hon. member outlined are in themselves desirable. However, there are many other aspects of the Darling report. The question is whether we can put one part into effect without doing other things which might prove detrimental. That is why we asked for representations from all interested parties. When these are received and have been studied by the department, a policy will be announced in due course.

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AGRICULTURE

NEWCASTLE DISEASE—SOURCE OF OUTBREAK

Mr. Mac T. McCutcheon (Lambton-Kent): My question is for the Minister of Agriculture. It is based on a press release of that department last Friday relative to Newcastle disease. Can the minister advise if the original source of the outbreak of Newcastle disease has been discovered and isolated?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I will have to take the question as notice.

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AIR TRANSPORT

CHARTER FLIGHTS—REQUEST FOR REFUSAL OF LANDING RIGHTS TO JOINT INTERNATIONAL AIRWAYS

Mr. Les Benjamin (Regina-Lake Centre): My question is for the Minister of Transport. It relates to another kind of hijacking. Are the minister, his department, his officials or the Canadian Transport Commission carrying out any investigation into the most recent air charter flight boondoggle, and, if he has not already done so, will he use his authority to prevent Joint International Airways landing rights in Canada until such time as they have reimbursed stranded passengers for funds and inconvenience.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, if it is within the authority of either the Ministry of Transport or the government of Canada, I will be more than pleased to look at it in a very sympathetic way. Without having all the details, I am not at all certain whether this is a travel agency. If that is the case, it will come under provincial jurisdiction.

CHARTER FLIGHTS—MEASURES TO PREVENT LOSSES BY PASSENGERS

Mr. John L. Skoberg (Moose Jaw): A supplementary question to the Minister of Consumer and Corporate Affairs. Will the minister inform the House and concerned Canadian citizens what steps, if any, his department will take to prevent such unconscionable operations from being continued in so far as charter flights are concerned?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, what legislative authority exists, exists within the Department of Transport.

CHARTER FLIGHTS—ACTION TO PREVENT NEW AIRFARE CONSULTANTS FROM ENGAGING IN BUSINESS

Mr. Les Benjamin (Regina-Lake Centre): Now that the ball has been thrown back to the Minister of Transport by the Minister of Consumer and Corporate Affairs, will the minister state whether his department or the Canadian Transport Commission have authority to deal with New Airfare Consultants Incorporated, travel consultants on Yonge Street in Toronto, in a manner which would effectively prevent them from selling charter flights?

Hon. Donald C. Jamieson (Minister of Transport): Obviously, Mr. Speaker, I cannot—

Mr. Speaker: Order, please. I doubt very much whether the question is in order in any event.

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ROYAL CANADIAN MOUNTED POLICE

PROVISION OF OVERTIME PAY

Mr. Robert McCleave (Halifax-East Hants): My question is to the Solicitor General. It should have been asked on Christmas eve. Has a final decision yet been made with regard to overtime pay for members of the Royal Canadian Mounted Police?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, consultations are going on with members of the Royal Canadian Mounted Police.

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[*English*]

AGRICULTURE

CORN—DATE OF ANNOUNCEMENT OF POLICY ON STORAGE FACILITIES

Mr. H. W. Danforth (Kent-Essex): My question is for the Minister of Agriculture. When representations were made to the minister on behalf of the corn industry with regard to the storage problem in Ontario, he indicated these representations would be considered. Can the minister now indicate whether a decision can be made regarding the storage problem and when may we expect an announcement in the House?

Inquiries of the Ministry

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, a decision has not been reached. However, I can say that the government wishes to take some action to achieve the desired end result. The details have not been completely agreed on, but I hope we can make an announcement very soon because I realize some construction should be got under way.

• (3:00 p.m.)

CORN—POSSIBILITY OF USE BY WESTERN DISTILLERIES

Mr. Robert McKinley (Huron): A supplementary to the Minister of Agriculture. Is the minister looking into the possibility of arranging for the transportation of corn at reduced rates by rail from Ontario to the distilleries in the west rather than have them buy their corn from the United States.

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, I do not believe we are looking at that suggestion at the moment.

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MANPOWER

TRAINING PROGRAM—CRITICISM OF METHOD OF EVALUATING EFFECTIVENESS—REQUEST FOR REFERENCE TO COMMITTEE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. Bearing in mind the report tabled by the minister on December 10 purporting to show that the Canada manpower training program is highly effective, may I ask whether the hon. gentleman is aware of the criticism of the method of evaluation used by his department, as expressed by the Economic Council of Canada in its Eighth Annual Review.

Mr. Speaker: That question is not in order.

Mr. Nystrom: I had a supplementary, Mr. Speaker.

Mr. Speaker: The hon. member cannot ask a supplementary in these circumstances. He might try to rephrase the question. He knows it is not sufficient merely to ask whether a minister is aware of a certain situation.

Mr. Nystrom: Then I will ask the minister whether he will refer the question of the evaluation technique as used by his department to the Standing Committee on Labour, Manpower and Immigration or to some other independent body—

Some hon. Members: Oh, oh!

Mr. Nystrom: —to determine whether or not it is a proper way to evaluate the department's program.

Hon. Otto E. Lang (Minister of Manpower and Immigration): I am perfectly satisfied with the technique being used to evaluate the training program. I note that what the Economic Council did was to note an alternative way of doing the same thing. They did not disagree at all with our technique.

[Mr. Danforth.]

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—ACTION TO EXPEDITE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Parliamentary Secretary to the Minister of Labour relating to the intolerable length of time taken to process certain claims for unemployment insurance benefits and to ask him whether he is aware of cases in the Montreal area, affecting the minister's own riding, where the waiting period has been as long as ten weeks. Does the department have a scheme ready to put into operation which would shorten this waiting period? I believe the minister has told us something will be done soon. Why has a statement not been made in this regard?

Mr. Ray Perrault (Parliamentary Secretary to the Minister of Labour): The hon. member's question will be conveyed to the minister, who will be in the House tomorrow afternoon. It should be said, however, Mr. Speaker, that delays arise as a result of a number of circumstances. Sometimes they are the fault of the Commission, but many delays result from the inadequacy of records with respect to contributions from employers and employees. There is a great range of difficulties to be overcome in our effort to implement such a widely embracing plan as unemployment insurance today.

Mr. Alexander: I am glad the hon. member is finding out there are problems. Can the parliamentary secretary advise the House whether or not there is a plan ready for operation at this particular time which would expedite the processing of claims? The minister has indicated that there is such a plan. I should like an answer to that specific question. Otherwise, let us have some action tomorrow when the minister is here.

* * *

NATIONAL SECURITY

STATUS OF CO-ORDINATING AGENCY

Mr. Elmer M. MacKay (Central Nova): Mr. Speaker, my question is for the Solicitor General. In view of the continuing interest in security matters, I should like to ask whether the hon. gentleman can inform us as to the current status of the co-ordinating agency or security organization which is supposed to augment the R.C.M.P. Has this force taken a formal place in the country's security organization? If not, when will it do so and under what terms of reference?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): I think that this is well known, Mr. Speaker. If the hon. member wants to check *Hansard*, he will find in it all the information that he is looking for. If he wants to get any further information, he should put more specific questions.

[*English*]

GRAIN

REQUEST FOR PUBLICATION OF PLAN FOR RATIONALIZATION OF HANDLING AND TRANSPORTATION

Mr. John Burton (Regina East): Mr. Speaker, I should like to direct my question to the minister in charge of the Canadian Wheat Board. Is the minister able to say what position he has taken with regard to tabling or making public the grain handling and transportation studies which I believe he is supervising?

Hon. Otto E. Lang (Minister of Manpower and Immigration): As I said a few days ago when this question was last raised in the House, I had in mind further discussion at the official level with some of the interested provincial governments who have the reports and have been studying them. I consider this the next step before any decisions are taken with respect to this study area.

Mr. Burton: Since the contents of the report have been made available to the railway companies and the grain handling companies, does the minister not consider that farmers should have access to this information as well?

Mr. Speaker: Order, please. The question as asked is argument. It is debate.

* * *

TRADE

DUTCH STARCH—ALLEGED DUMPING IN CANADA

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to address a question to the Minister of National Revenue. Has the hon. gentleman taken any action to inquire into allegations in the press that Dutch starch is being dumped in Canada and underselling competitors in a market which is an important one for certain types of potatoes?

Hon. Herb Gray (Minister of National Revenue): I will take the question as notice, Mr. Speaker.

* * *

MANPOWER

JOB VACANCY SURVEY—POSSIBLE USE BY DEPARTMENT

Mr. John Lundrigan (Gander-Twillingate): I have a question for the Minister of Manpower and Immigration having to to with a question asked earlier. Has the hon. gentleman's department any special plan to make use of the recommendations contained in the job vacancy survey which was released a few days ago and which cost about $2.5 million to prepare?

Hon. Otto Lang (Minister of Manpower and Immigration): The job vacancy survey which was released the other day is the first firm result of some very important work done by Statistics Canada for my department in an attempt to evaluate the job situation, the job demand situation, in Canada. The results of this work are being used within the department in a variety of ways. We are very pleased indeed that this information is now available in a form which is sufficiently satisfactory to enable it to be made public.

* * *

ENERGY

NATURAL GAS—POSSIBLE SALE BY PANARCTIC TO UNITED STATES—CONTROL OF PIPELINE

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Having regard to the statement made by the President of Panarctic Oils Limited, of which the government of Canada is a substantial shareholder, to the effect that Panarctic intends to sell on the United States market at least one trillion cubic feet of gas annually, which is equal to the total volume of current Canadian gas consumption, would the minister inform the House whether this intention is shared by the Canadian government?

• (3:10 p.m.)

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the gas that Panarctic Oils Limited has found so far cannot be sold on the American market without the approval of the Northern Canada Power Commission, and the abovementioned company will be subject to the same export regulations as all other Canadian companies.

[*English*]

Mr. Thomson: Does the federal government support the position of the President of Panarctic that the proposed Arctic pipeline should not be controlled by Panarctic Oils Limited?

Mr. Speaker: I doubt whether a question asked in those terms is in order.

* * *

REGIONAL ECONOMIC EXPANSION

AGREEMENT WITH MARITIME PROVINCES ON CONTINUED OPERATION OF DEPARTMENTAL ENGINEERING SERVICES—REQUEST FOR STATEMENT

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for either the Parliamentary Secretary to the Minister of Regional Economic Expansion or the acting minister. Just before Christmas I asked whether an agreement had been negotiated between the department and the governments of Nova Scotia, New Brunswick and Prince Edward Island with regard to the continued operation of the engineering services located in Amherst, Nova Scotia. The minister said an agreement had been worked out and had been placed before the cabinet for approval. Has that approval been given? Can the minister tell the House exactly what the situation is?

Mr. John Roberts (Parliamentary Secretary to Minister of Regional Economic Expansion): I shall have the matter looked into and try to have an answer for the hon. member as soon as possible, Mr. Speaker.

* * *

[*Translation*]

PRIVILEGE

MR. MARCEAU—LATE AUGUSTIN BRASSARD, FORMER MEMBER FOR LAPOINTE

Mr. Gilles Marceau (Lapointe): Mr. Speaker, a man whom many of us admired and esteemed for years in this House has just passed away tragically. The death of Augustin Brassard, who sat here with so much devotion, guilelessness and sincerity, brought back memories and moved the hearts of those who rubbed elbows with this very humane Quebecer whose stature and generosity will never be fully known because that prominent citizen was totally discreet.

Augustin Brassard devoted himself in difficult circumstances, at times to thankless jobs. He was one of those who give without demanding any guarantee whatsoever. The House will surely want to join with me in remembering this late colleague and offering his family our most sincere condolences.

Mr. Speaker: Order. May I remind the hon. member that questions of privilege, even in exceptional circumstances such as this one, cannot be raised without notice. The hon. member could have given notice to the Chair, as required by the Standing Orders.

In any event, I agree that these are very special circumstances.

• (3:20 p.m.)

[*English*]

GOVERNMENT ORDERS

FARM PRODUCTS MARKETING AGENCIES BILL

ESTABLISHMENT OF NATIONAL MARKETING COUNCIL AND AGENCIES

The House resumed from Tuesday, June 29, consideration of Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, as reported (with amendments) from the Standing Committee on Agriculture, and motions Nos. 1, 5 and 22 (Mr. Horner).

Mr. G. W. Baldwin (Peace River): Mr. Speaker, on with the debate! Let joy be unconfined today. We are back here because the government obviously is in some doubt as to the value of the program contained in Bill C-176, which in the last Parliament had a very undignified and unhappy career in the name of Bill C-197.

I want to support the amendments which appear in the name of the hon. member for Crowfoot (Mr. Horner). I do so in spite of the fact that the government has made a proposal which, if accepted, will go a long distance toward removing the offensive and repugnant features of this bill as it stands today. We have also proposed an additional change, the exclusion of cattle and cattle producer, which we think will take the bill even further and make it still better. It appears to me, however, that we are engaged in debating the bill as it was originally introduced into this House, and reprinted following the committee meeting, so I have to deal with it on that basis.

Despite the fact that there are aspects of this bill which are not attractive to us, we still believe it is a bill with which we could live if it contained the amendments which have been proposed; but we have to proceed on the basis that this may not happen and as if we were dealing with the bill in the form in which it was reprinted.

What is the purpose of the amendments proposed by the hon. member for Crowfoot? At the time he conceived them—and they are honourably born—we were in a very serious situation with regard to certain actions by some provinces of Canada which were tending toward the balkanization of this country. There was, Mr. Speaker, an action pending in the courts of the province of Quebec with respect to which this government did not have the intestinal fortitude to appear and to make representations and ask to be represented by counsel at that time. We had reason to believe that for political purposes this government was prepared to stand by and allow the benefits of the federal system to go down the drain. That is one of the main reasons why the hon. member for Crowfoot has introduced his amendments.

Mr. Horner: We asked the Minister of Justice (Mr. Turner) about it.

Mr. Baldwin: As my friend the hon. member for Crowfoot has said, we asked the Minister of Justice (Mr. Turner) on numerous occasions what he was going to do, and we also asked the Prime Minister (Mr. Trudeau) what the government was going to do. As usual we were met with dissimulation, divisiveness and delay—the three "D's" upon which this government is founded, especially at question time.

It is principally for these reasons that the hon. member for Crowfoot has moved the amendments. We all know what happened. At a later stage the province of Manitoba enacted legislation which was challenged. Ultimately it arrived at the Supreme Court of Canada, and as the government could no longer exercise its delaying tactic it was challenged by members of this party to appear at that court and take a position. Up to that time it had shown no indication at all of its constitutional responsibility with regard to this matter.

I do not think it will do us any harm at this time to pause for a moment and look at the situation which could have developed and to look at the situation upon which these amendments were predicated.

The federal structure in a country such as Canada means more than language, geography and national unity; it is a great movement toward permitting the free flow of goods and services and people from one end of the country to the other. Without that this is not—

Mr. Guay (St. Boniface): Mr. Speaker—

Mr. Baldwin: I see one of the marketable products from Manitoba—

Mr. Speaker: Is the hon. member for St. Boniface rising on a point of order?

Mr. Guay (St. Boniface): Mr. Speaker, I should like to know if the hon. member for Peace River is giving us an historical background, or is he speaking to the amendment?

An hon. Member: Oh, come on!

Mr. Ricard: That is up to you to decide.

Mr. McGrath: I rise on a point of order, Mr. Speaker. I should like to ask you—

Mr. Speaker: Order, please. I think we might have one point of order at a time. If the hon. member would allow the Chair, the point of order raised by the hon. member for St. Boniface was to suggest that the member who has the floor is not addressing his remarks to the motion. My understanding is that the hon. member was making general introductory remarks, which is quite normal. I do not think that up to this point his remarks were out of order or irrelevant. The hon. member knows, as we all do, what is before the House, namely certain specific motions. The hon. member for Peace River will, I am sure, allude to these motions in the course of his remarks and make them relevant to his remarks.

The hon. member for St. John's East was rising?

Mr. McGrath: Since you have ruled, Mr. Speaker, it is not necessary for me to raise my point of order.

Mr. Baldwin: I thank the hon. member for St. Boniface who should himself be on a marketable quota of nil.

The amendments of the hon. member for Crowfoot relate specifically to the question of the country as a whole being brought within the confines of this bill, and they aim at trying to prevent the divisiveness which would come about through that part of the bill that divides areas of Canada for the purpose of marketing plans into regions. The amendments of the hon. member for Crowfoot are definitely aimed at preventing this.

For this reason, and to lay the foundation for support of these proposals, I say to this House, through you, Mr. Speaker, that anything which could have a divisive or detrimental effect by stopping, easing or preventing the free flow of goods and services and people from one part of this land to the other will result in grave damage being done to our federal structure. Without the amendments of the hon. member for Crowfoot the bill could have this particular effect.

Now, of course, it is true that, as a result of the decision of the Supreme Court of Canada in the Manitoba reference, to some extent this danger has been averted. When we remember what happened in the United States, which became a tremendously wealthy and progressive country in a very limited time owing to the fact that it had its own common market, and when we see what has happened in countries belonging to the European Common Market and what will doubtless happen in those which are shortly to be brought into the Common Market, we see the benefits which flow from the free movement of goods and services, people and money. While there may be a place for marketing legislation of some kind, it is the responsibility of every member of this House to ensure that legislation of this kind will not have, and cannot have, this divisive, detrimental effect. This is why I and other members of our party support these particular amendments.

I would point out that the decision of the Supreme Court of Canada was very welcome in this House and in all parts of Canada. It immediately had some effect in bringing to an end increasing economic divisions between different parts of Canada and the kind of Balkanization which is bound to be dangerous to the survival of our federal structure.

But there is far more than this involved in this particular bill. The case in the Supreme Court of Canada in respect of the Manitoba reference was decided on the simple ground that no provincial legislature has any right to legislate with regard to matters which constitute the regulation of trade and commerce. So far, so good. That has now been established beyond any question of doubt. But we must go beyond that and deal with the danger this legislation in its present form presents.

How did the people who wrote our Constitution attempt to ensure that there would be this freedom of movement within Canada? They did so through section 121 of the British North America Act. Just to refresh our memories I shall read this very short section. It states:

> All articles of the Growth, Produce, or Manufacture of any one of the Provinces shall, from and after the Union, be admitted free into each of the other Provinces.

There have been a number of decisions which do not bear directly on that particular section but which have had some interpretative effect in the minds of judges, both of the Supreme Court of Canada and of the Privy Council when that body had jurisdiction to entertain appeals from Canada. I shall not go into this at this time, but I would point out, through you, Sir, to the members of the House that in the case of Murphy *v.* Canadian Pacific Railway Company, decided by the Supreme Court of Canada in 1958, it was suggested by the judges of the court that Section 121 of the British North America Act applies not only to prevent provinces but also the federal government from dealing with the free flow of goods and property from one part of the country to another.

I want to read to the House part of the judgment of one of the most distinguished judges, a former member of the Supreme Court of Canada, Mr. Justice Rand. As reported at page 638 of 1958 Supreme Court Reports, Mr. Justice Rand made certain comments. The case, which hon. members may recall, was a test case in which Mr. Murphy had attempted to impugn the validity of the provisions of the Wheat Board Act by shipping a small quantity of grain from Manitoba, I believe, into British Columbia. The decision went against him but there were some very interesting comments made at that time. Mr. Justice Rand said:

> The main contention was that the legislation and regulations infringed section 121 of the Act of 1867 . . .

Then he quoted the said section and went on to say:

> Assuming this section to be applicable equally to action by Dominion and province, is the charge exacted as a condition of the shipment an impediment to that free passage for which the section provides? Viewing it in isolation, as a hindrance to interprovincial trade detached from all other aspects, the demand bears the

appearance of a violation. Apart from matters of purely local and private concern, this country is one economic unit; . . .

I commend those words to members of the government opposite as something they seem to have forgotten; that is, that this country is one economic unit. One of the main purposes of confederation is precisely that. Mr. Justice Rand continued:

—in freedom of movement its business interests are in an extra-provincial dimension, and, among other things, are deeply involved in trade and commerce between and beyond provinces.

—"Free," in section 121, means without impediment related to the traversing of a provincial boundary.

These words I particularly commend to hon. members.

—If, for example, Parliament—

This is not a province, this is Parliament.

—attempted to equalize the competitive position of a local grower of grain in British Columbia with that of one in Saskatchewan by imposing a charge on the shipment from the latter representing the difference in production costs, its validity would call for critical examination. That result would seem also to follow if Parliament, for the same purpose, purported to fix the price at which grain grown in Saskatchewan could be sold in or for delivery in British Columbia.

When we come to examine this particular bill, in clause 2 we find a definition of "marketing plan" which, in my opinion, could bring a proposal in the form of a plan submitted by Order in Council squarely within the restrictions which according to Mr. Justice Rand might well be unconstitutional just as much for the federal government as for a province. Clause 2(e)(iii) provides that:

(iii) the marketing of the regulated product on a basis that enables the agency that is implementing the plan to fix and determine the quantity, if any, in which the regulated product or any variety, class or grade thereof may be marketed in interprovincial or export trade by each person engaged in such marketing thereof and by all persons so engaged, and the price, time and place at which the regulated product or any variety, class or grade thereof may be so marketed;

I repeat the words "the price, time and place at which the regulated product or any variety, class or grade thereof may be marketed". There is a clear indication contained in this definition of marketing plan that an agency may establish a price and means of sale, which would mean that a product—and I do not care what it is, whether apples, potatoes, chickens or what have you—grown in one province could be marketed under the structure of the marketing plan in some other province with an artificial price gauged by the difference between the cost of production in the two provinces.

I suggest to you, Sir, and through you to members of the House, that in the mind of Mr. Justice Rand this would clearly bring into question and challenge the constitutionality of this plan. It is for this reason that any doubt as to the right of any province to engage in marketing programs which infringe on the federal government's right to deal with trade and commerce by means of regulation is now set completely at rest. There is no right in a provincial government to engage in activities which, in the province of Manitoba, the province of Quebec, the province of Ontario or in any other province, prevent the free flow of trade. That now has been clearly defined.

However, we still have this other consideration to take into account, and it is for this reason that I welcome the amendments of the hon. member for Crowfoot (Mr. Horner) and debate on this subject. It is not a technical matter which is peculiar only to lawyers. Surely all of us in this House must be very anxious and greatly concerned about the promotion of the freest possible flow of trade between the different parts of Canada. Surely we are interested in seeing that the legislation is not ultra vires, that it is legislation which cannot be challenged.

I suggest that if this bill were passed in its current form we would be authorizing the government to establish by Order in Council an agency with a marketing plan which could very easily involve proposals which would be in violation of the Constitution. Therefore I welcome these amendments and the proposal of the government to take out of the bill all the supply management features, which in my mind would do away with the possibility of this sort of situation arising. We would still include poultry products and eggs.

• (3:30 p.m.)

I would think that if the amendments of the hon. member for Crowfoot are defeated, and if the government goes ahead, enacts this bill in its present form in defiance of what I have said, a bill that I am sure a great many constitutionalist lawyers will say is of doubtful validity, and proceeds to establish a marketing plan which flies directly in the face of the statements made by Mr. Justice Rand, then the government will be challenged, the marketing plan will be challenged, and the agency will be challenged. And we in this House will have a great deal of responsibility to bear for allowing passage of legislation of this kind without looking at this very important issue.

Finally, Mr. Speaker, I recognize that if this country is going to grow and prosper there is need to provide for an over-all marketing program. But in devising the individual programs, I say that we must exercise the greatest care to ensure that what we do will pass muster as being part of the federal structure leading to greater prosperity, unity, and the cohesion of all parts of Canada.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I just wish to say how surprised I am that we are back here between Christmas and New Year's discussing this bill, particularly when the Senate *Hansard* indicates that that chamber is not coming back until the middle of February, although subject to recall in January or later this week. Obviously they are not too concerned about this bill but will be available to deal with it.

This bill has been with us for a long time. It was with us in the form of Bill C-197 several years ago. It has been with us for some time as Bill C-176. I think many hon. members are unfamiliar with it, but in my experience it is the most amended bill I have ever dealt with in Parliament. Last year the committee travelled across the country with the bill and collected a sheaf of amendments. And wherever we went the minister or his representatives kept on saying, "We are going to amend this particular section, or that particular section. We don't intend to implement it as it is; you have to read the amendments in conjunction with the bill." In January, 1972, we will be looking at a new batch of amendments connected with this bill. The amendments now on the order paper are not necessarily the last word on this measure.

It should also be borne in mind that the changes which are being made, including the amendment we are debating, are fundamental to the operation of the family farm. In this connection may I say I was pleased to read in last Saturday's edition of the Ottawa *Citizen* an article by a writer, Paul Grescoe, entitled "Goodbye to the family farm". This article was particularly interesting in light of the debate on this bill and the amendments, and I would like to quote two or three paragraphs from it. It reads, in part:

Canada—which once brought thousands of immigrants from Europe to farm the land and build the country—is now allowing its family farms to die.

And their death is being officially encouraged by the federal government.

Ottawa wants to ease small, low income farmers off their land. The *Financial Times* recently explained the government's reasoning: the federal Department of Agriculture believes that Canada can support no more than 150,000 farms, this means that 250,000 farms must go.

That underlines our fear about passing this bill, and that is the reason for the hon. member's amendment. We are interested in those 250,000 farmers. Where do they go? As long ago as six or seven years I saw letters from leaders of the Liberal party indicating it was their intention to eliminate the small family farm, and to turn agriculture in Canada into an economic agribusiness.

With respect to the first amendment dealing with the removal of a number of products, I must ask who is making all the fuss about the products. It is not the little farmer who does not have much say in any marketing structure: it is those who are producing in an agribusiness, and in many cases over-producing.

One of the former speakers who just made a comment is one of those who got into trouble by overproduction in the free enterprise system, who produced until the price went down and until his own friends went out of business. I am told the same thing would have happened to him had he not found an advantageous sale and managed to overcome his difficulties. We have to decide who will be served by this bill.

If 250,000 farmers are moved off the farm the argument will be made that it is because their holdings are uneconomic. As pointed out in this article part of which I quoted, the average income from that class of farm across Canada is $2,800. This is a disgrace because it means we would be paying them welfare in the cities. They are living on farms because they have decided this is a good way of life. They have clean air, fresh vegetables and many of the advantages of a quiet, slow moving life. They live there in dignity and raise their families in dignity. We have moved them into the cities because we cannot keep them in the rural economy. There are no jobs for them in the cities, yet they cannot stay on the farms.

• (3:40 p.m.)

If you move them into the city they will have to live on an income of $4,000, in poverty and with no personal dignity. There is no future for them there. Who will be left on the farms? Kraft will be left on the farms, where it will have control of the cheese industry in this count through its own form of marketing legislation. Kraft is in a position to buy cheese in the area from the wholesaler at 80 cents a pound, which is one cent more than the price of butter in that area. I suggest that that is unreasonable. You can produce twice as much cheese from butterfat as you produce butter; therefore the conclusion is that Kraft has raised the price of that commodity to the consumer in an unreasonable way.

An hon. Member: No.

Mr. Speaker: Order, please. Perhaps this might be a good point at which to interrupt the hon. member. I confess I am not sure to what extent the remarks he is making now are related to the motion before the House. It may well be that they are. The hon. member has a knowledge of agricultural matters which is second to none, and certainly much greater than mine, and perhaps as he pursues his remarks he will indicate how his comments are related to the motion now before us.

Mr. Peters: I shall be pleased to do that, Mr. Speaker. Perhaps the argument is complicated, but the amendment removes from the plan such things as animals, meats, eggs, poultry, wool, maple products, honey and any part of any such product. The producer would have no control over any part of any such commodity as maple, sugar, hams, bacon, cheese or butter, because the bill says "any part of any such product". I presume cheese and butter are by-products of animals, and if we remove these we will only be controlling farm products, meaning any natural products of agriculture. Obviously we are not referring to bacon and pork, and we would not be talking about cheese and butter, because these are by-products of animals or natural products of agriculture. In themselves they are not natural products although they might be referred to as products of the cottage industry.

I singled out the Kraft Company because it is agribusiness at its best. Certainly everybody can use different examples. In the province of Quebec farm representatives are not talking about farmers, they are talking about Granby Co-op. They are talking about the monopoly which that particular organization has now in the province of Quebec. They can go into the broiler industry and can put it completely on the rocks, as they did, or they can go into any of the other fields, because they have a vertically integrated operation which bears no relationship to the family farm.

The point that I am making is that while that may be good business for the Liberal party, while they may believe in agribusiness and in large farms being good and size being the prime requirement—

Mr. Mazankowski: No.

Mr. Peters: My hon. friend says "no". Let me read an article that reveals what the Minister of Manpower and Immigration (Mr. Lang) said about it before he became minister. Eight years ago he hinted at what was to become of the federal government's policy to kill Canada's small farm units. He is now minister in charge of the Canadian Wheat Board, but when he was law professor speaking to graduates of agriculture at the University of Saskatchewan in Saskatoon he had this to say:

"The family farm is not entitled to subsidy," he said. "Should those living on farms be subsidized by non farmers to bring their economic level to that of non farmers? Clearly not. The farmers are receiving non economic benefits to make up the difference."

The benefits, he suggested, include "independence, fresh air, quiet and privacy and the intimacy of neighbourliness ..."

This is what he is going to give them. They will get independence, free air, quiet, privacy, and the intimacy of neighbourliness where you know all your neighbours well. Lately the minister has not been speaking about those benefits, but the federal government has bluntly informed family farmers that they can no longer expect to be subsidized. The big farm cannot be run economically any longer. My point is that we should not remove these products from clause 2 of the bill.

Earlier today I was asked whether I did not believe that any price increase for the farmer would mean a price increase for the consumer. I say that that is true, that if the farmer receives more money, then obviously the consumer will have to pay a higher price. But I suggest that in the case of agribusiness the farmer may not get one cent more, though the consumer will have to pay a great deal more for his commodity. In the case of milk, which is a natural product which would be left in, if you produce butterfat from it you should be able to produce twice as much cheese from the same amount of butterfat as you produce butter.

However, what happens when agribusiness gets hold of it? There are as yet some butter factories around the country. As a matter of fact, the little butter companies are trying to buy butter from the government. They cannot obtain enough cream in their area to produce butter so they are buying butter from the government, which is stored in the province of Quebec in the city of Montreal. However, they have no control over the cheese industry, which is now big business. If Kraft is getting competition from them it buys them out, and this is true of other companies, including General Foods. They buy out the little producer and the little industry. They have raised the price of cheese until it is higher than the price of butter, although it takes twice as much butterfat to make butter as it does to make cheese. That is what agribusiness does, and the consumer continues to pay more money.

Mr. Mazankowski: Let us hear something original.

Mr. Peters: That is original, and it is a fact that has been stated by many agronomists over a long period of time. This is the first time in my memory that there has been an unreasonable relationship between the price of butter and the price of cheese. The hon. member probably comes from an area which does not produce either butter or cheese, and therefore he is not aware of this fact; but it is a fact, and it seems to me that this is something that even those members who do not come from agricultural producing areas should consider. Although a family farm operated at a very low return, and had the privileges and benefits to which the Minister of Manpower and Immigration referred, namely fresh air, privacy and the friendliness of neighbours, it was also provided with enough money to develop the farming industry of this nation. The family farmer sent his children to school, and some of them are now Members of Parliament. We have been able to develop a social structure in much of Canada that has been under a rural economy.

[Mr. Peters.]

• (3:50 p.m.)

I suggest, Mr. Speaker, that if this bill carries, the benefits for those in the agribusiness will be bountiful and substantial. If this bill carries, it will suit admirably the purposes of agribusiness in Canada. It will give that industry as much flexibility as people now enjoy when buying an automobile—a Ford, a Chev. or a Chrysler product. There was not much competition in this field, because the price to be paid has been agreed to. When Japanese car exports hit this country, their effect was such that the big three automobile manufacturers went to the Canadian government and got a 15 per cent increase in the tariff protecting them. I do not suggest that was bad. Perhaps that was necessary for the economy of this country. However, I suggest that if four or five big companies can control the automobile business in Canada and set prices, the same could be true of other products. For instance, members from Quebec could cite examples in addition to the two I cited to show that natural maple products might be affected by this bill. In many parts of Ontario as well people enjoy the fruits of the maple tree, so to speak.

Most of us do not eat oats, wheat or the other grain cereals unless they have been processed. It is fairly easy to roll oats; you can do that at home. Nevertheless, even though the "health nuts" may prefer them in the raw state, teeth do decay and it is necessary for some of us to eat processed cereals. There is little relation between the five pound bag of flour that your wife buys in the store and the five pound bag of wheat that was used to manufacture that flour. The price of the flour bears no relation to the price of the wheat, although the flour is produced from the wheat.

Mr. Speaker: Order, please. I regret to interrupt the hon. member. I must do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Does the House give its unanimous consent for the hon. member to continue?

Some hon. Members: Agreed.

Mr. Peters: Mr. Speaker, this is an unexpected privilege that I had not anticipated.

An hon. Member: You can speak now for 24 hours, if you wish.

Mr. Peters: I realize that. May I point out that in establishing this marketing legislation we are doing something that will benefit the entire farming industry. I believe that the Department of Agriculture believes, and believes sincerely, that we cannot have 400,000 farmers in Canada. I also believe that the federal Department of Agriculture does not expect to wait for the normal process of attrition to eliminate 250,000 of our farmers. It wants to hasten the process by legislation.

I have always believed in marketing legislation. My father originally set up in northern Ontario as well as in southern Ontario milk marketing boards. Over the years he negotiated many of the fluid milk marketing contracts in those areas and consequently over a period of time the

fluid milk producer in Ontario ranked fairly high in the agricultural industry. When we set up the Canadian Dairy Commission and went into the industrial milk field, and when we said that milk could be taken from the fluid milk field and applied to the industrial milk field, and vice versa, it had taken us 25 years to reach that point. We said that farmers in the seventies will need to buy great bulk tanks. Farmers will need milk boilers and great stanchion barns. All these the farmers will need to meet higher health standards in Canada. The result was that the little farmer owning only five or ten cows did not think that the required $20,000 investment in his operation was worth while; consequently, he went out of business. I know that we said that he only needed to have 480 pounds of butterfat and that this could be secured from the production of two or three good cows. However, the little farmer did not have two or three good cows, or the bulk tank or the barn. Since his cattle was of poor quality, he felt it was necessary for him to go into the production of other commodities.

In the last few years we have attempted to control the production and sale of broilers and poultry. I believe that the Minister of Agriculture (Mr. Olson) will, after an amendment to a certain bill has been proclaimed, be able to exercise control over eggs or poultry products. At least, that is what some think the effect of the legislation will be. I suggest that it is not quite that simple. What will we have done by passing that legislation? We all agree that we cannot force that kind of legislation on a province. We decided that, and it is not true to say that the Supreme Court made that decision. We just have not taken that matter to the Supreme Court for its advice. At any rate, we admit that the provinces will need to make a decision in this field. At the same time, we are sitting here during a period when civil servants who sometimes think they are not well treated are on holiday, and we are discussing this bill. Our specific purpose is to include eggs and poultry in it.

Hearings were held in Ontario to decide whether there should be an egg marketing board set up in Ontario. This was some time ago. After the hearings, a vote was taken, and that vote was overwhelmingly against the establishment of such a board. A number of years later a vote was again taken on this subject, and again the idea of a board was turned down. It was subsequently decided to withdraw this matter from the political arena and establish a commission. Judge Ross was appointed and went around the province. He was in Ottawa about a week ago last Monday and held a hearing. I was not present, but I gather that it was not much different from the hearing that had been held in London, and is similar to the one that will be held in Toronto.

People at all those hearings did not agree on the establishment of boards. Why is that, Mr. Speaker? Surely everyone assumes that the guy who is producing eggs will support the establishment of a board controlling them. This sounds fairly reasonable. Why did not those people support such boards? I suggest the reason is that the owners of hens really would vote on a board.

• (4:00 p.m.)

Who owns the hens? A half dozen people own the majority of the hens in Ontario.

An hon. Member: The feed companies.

Mr. Peters: As the hon. member points out, it is the feed companies. They have nothing to do with this. They only have a vertically integrated operation. In many cases the egg producer is being paid on a similar basis to that in the province of Quebec where the producer is paid 10 cents a bird to produce broilers. Everyone knows he is the hired man of the feed company.

We are not talking about the person who peddles his eggs on the street. The person I am talking about is the one who buys his eggs or has a few hens at home, where he and his wife are conducting a small operation and he peddles his eggs around town. He will not be hurt by a board. He can still peddle his eggs, legally or illegally. People can come from town to his farm, if the price is right and buy eggs. The people bothered about a board are those on the small end of the operation.

A person in Ontario stated to the commission that the day a board is created for eggs, someone will be a millionaire because he will have a quota of over $1 million. It will not change anything else. Surely that is not what we want to accomplish, unless we agree with the Minister of Agriculture (Mr. Olson), the Department of Agriculture and the former law professor from Saskatoon. We are not interested in eliminating the family farms in Canada.

Mr. Olson: Neither are we.

Mr. Peters: I do not see why we should put the farmer off the farm, bring him into the city and put him on welfare. He has a job to do and he does it. It is true, in many cases, that his farm is inefficient. His marketing is inefficient. Why are we aiming to get him off the land at any price?

Mr. Faulkner: That is pure nonsense. Stop inventing the stuff.

Mr. Peters: The hon. member says that is pure nonsense. When an NDP government was elected in Manitoba, what was one of the first things it had to do? This government has been going around giving away money. It will give a farmer $50,000.

Mr. Deputy Speaker: Order, please. I am sure the hon. member for Timiskaming can relate his remarks to the amendment before the House. Without being critical, I suggest that maybe he should do so.

Mr. Faulkner: This is pure garbage.

Mr. Peters: What are we asked to do in this amendment? We are dealing with all farm products. We are asked to limit those farm products and to remove by-products of agriculture. I think it is perfectly in order to indicate that the small producers in this country are being eliminated. They will not be able to compete. This clause refers to any natural product of agriculture. Basically, we are talking about produce in its natural state. If this is what is left, I think everyone will agree that agribusiness will be the only form of agricultural production in this country.

There will be a period of transition. The hon. member does not believe that, but the facts speak for themselves. He need only look at the Canadian Dairy Commission to see the results of that act on the western farmers. This

was not done because it was necessary, but because we did not put in the necessary limitations. The Minister of Agriculture is now going back to put in some of the limitations that should have already been there.

I am in order to speak about these matters because they bear directly on this amendment. Your Honour even suggested that we take this amendment in conjunction with amendments 5 and 22, which are fairly broad amendments. I am aware of the courtesy of the House in extending my time and I do not intend to take advantage of that, but I must state that we are not only concerned about this bill but about the effects of it.

The hon. member for Peterborough (Mr. Faulkner) should look at the record. I heartily recommend to him this article which appeared in the Montreal *Star*, the Ottawa *Citizen*, and a number of magazines. I think it is quite factual. It states exactly what would happen to a small farm operation in a small community. I fear that thousands of people across Canada will think we are changing the whole rural game. For this reason, we should give very serious consideration to every amendment to this bill. If this bill is passed, it should be the most considered and advantageous bill possible.

Mr. Gerald Richard Cobbe (Parliamentary Secretary to Postmaster General): Mr. Speaker, this bill has received much discussion over the past number of months and I am certainly pleased to have had the opportunity to participate in the debate. This legislation constitutes a very big change in the agricultural industry, one which I feel is most necessary if the agricultural industry is going to survive within the society we live in today.

We must look at the way all other organizations exist. Regardless of what type of work you do, you are organized by your members for the benefit of those who are involved. The hon. member for Timiskaming (Mr. Peters) referred to the fact that 250,000 farmers must go. It appears that each time someone is paid to write a report on agriculture, it automatically becomes government policy. It is obvious that the hon. member has not read the small farms development program which the Minister of Agriculture (Mr. Olson) very recently announced. If, after reading this, he still believes it is the government's plan to remove people from the farms, then I suggest he has the wrong understanding of this legislation. The sole desire of this legislation is to have as many producers as possible operate in an economic unit.

The amendment of the hon. member for Crowfoot (Mr. Horner) proposes the removal of beef and veal products from clause 2. In considering this, I have to ask myself several questions. Who is covered in the bill and who is not? How does one qualify? What must one do to take advantage of the bill? We have gone through this many times, Mr. Speaker. Whether you are listed in the bill or not listed is not important. If any commodity group that is organized asks to come within this bill, no government will deny them this opportunity.

We must remember that this is permissive legislation designed for those who choose to use it. How does one qualify to operate under this bill? Most of us are quite familiar with the procedure that must be followed. There must be marketing boards in the provinces which are interested in the program. They in turn must agree to establish a national marketing board. The contents of the legislation are solely for the purpose of their operations once they have established the plan under which they choose to operate. The plan they choose, design and draft themselves is far more important than what is in this present legislation.

• (4:10 p.m.)

These are the controls which are to be imposed on any organization. The producers themselves will decide. Some people say they will not have the opportunity, but I say it is provided in the bill that should any area of Canada which produces a significant amount of the commodity referred to choose not to establish a national marketing plan, there is no way in which a plan can be established. It is obvious they must get agreement before a plan can be presented for approval.

Now I must look at what this bill can do for producers. In discussing agricultural commodities there are two areas of concern. There are those who are producing in a surplus position, and those who are producing not in a surplus position. Those who are producing in a surplus position are definitely asking us to pass this legislation. It is important that these people be organized and have some control over the production of their products, how the product is handled and what price they can get for it. These are the only people who can make those decisions.

As far as a product which is being produced but is not in surplus is concerned, there are quite a few of these but they are diminishing each year. These people have a different area to serve. First, how do they prevent themselves from getting into a surplus position? There are certain areas to which they must give consideration. I refer to such things as market research. There are many areas of market research which in my estimation should be explored in a manner in which they are not being explored today. For example, I have heard there is a potential market for pork in Japan. The federal government, through the Department of Industry, Trade and Commerce, has explored this possibility and has been successful in getting some of the barriers removed so that we may ship pork there. A boatload of pork was shipped to Japan to see how the Japanese people liked our product.

Once a market is established, who takes over the job of assuring that we keep this market? I say that once we capture a market and get into the business of supply management a commodity group is the most likely body to handle affairs. I know this is a contentious point because supply management works both ways. Once you establish a market you must guarantee that you will produce sufficient of the product to supply that market, and this is as important as any other control.

There have been requests that import controls be included in this legislation, and that commodity groups should be given a measure of control over imports. It is obvious that if any one commodity group were given control over the import of the product it produced, it would immediately stop that product from coming in, and hon. members know the chain reaction which would then take place.

There are many opportunities for the government to work with commodity groups. This is apparent from some

of the actions taken by the Minister of Agriculture (Mr. Olson) in the last while. When you are dealing with an organization which speaks for all the producers who are producing that commodity, and you get the same story for them all, it is possible for the government to act. But if you get one answer from one area and another from another area, it is difficult for anyone to establish policy and work for the benefit of that commodity group.

Let me refer to some of the organizations which have sprung up already. There is EXCAN, an organization of people interested in the grain industry. They organized for the purpose of finding new markets, finding better ways of handling grain, and every day you hear favourable comments about the progress these people have made. These are people directly involved in the industry who are engaged in the promotion and sale of their products. In the oilseed industry and the rapeseed industry a tremedous job has been done in establishing a market and providing the product for it. Then there is the work of the Palliser Wheat Growers' Association.

Mr. Horner: And the cattle industry.

Mr. Cobbe: And the cattle industry, I agree. But the cattle industry, I hope, will be national.

Mr. Horner: They have a national board.

Mr. Cobbe: We have a national board.

Mr. Horner: A national association.

Mr. Cobbe: We have to set up an association involving everybody who is producing. Then these people can make great strides in the industry. The Palliser Wheat Growers recently worked with the government in providing a unit train which was a tremendous success. This is what people in an industry can do to help their own industry grow.

In considering a proposal to remove beef and veal products from the bill I become concerned because I feel there are a lot of ways in the bill any commodity group could operate without having any supply management. Hon. members are familiar with the proposal which I understand was discussed and agreed to by nine of the ten provincial ministers of agriculture, that being a possibility that beef and veal products be removed from clause 18, which deals with supply management, but be allowed to come within the rest of the bill. I think many people would agree with this. I think the people I have spoken to in the beef industry would do so.

Mr. Horner: On a point of order, I do not want to interrupt the hon. member's speech but he inferred that nine out of ten of the agriculture ministers agreed to exclude cattle from the provisions of clause 18. That was not the agreement according to my understanding and I should not let his assertion go unchallenged. I am certain he knows better, and that the Minister of Agriculture knows better.

Mr. Deputy Speaker: Order. That is not a point of order. That is a matter of debate between hon. members.

Mr. Cobbe: On that point, it is my understanding that this was agreed to by nine out of ten ministers. The minister from the province of Manitoba did not agree with this, as he has other ideas of how control should be placed. But those are his opinions. When you get nine out of ten ministers agreeing—

• (4:20 p.m.)

Mr. Horner: To what? What was their agreement?

Mr. Cobbe: —to something which had arisen and something which we have not been able to deal with, I hope the House will consider the possibility of the minister introducing another amendment. I know this requires the unanimous consent of the House, but I think consideration must be given to it. If beef and veal are to be removed from any part of this bill, I think the only part that should be removed from is clause 18. I know there is a problem in establishing who is a producer, who gets a vote and how many votes. These are things over which we do not have control as they are handled by producers and the provincial governments, but I feel that they can resolve these questions and I am confident that they will resolve them.

I would ask hon. members to give very serious consideration to finding an amendment which would permit the removal of beef and veal producers from the supply-management portion of this bill.

Mr. Don Mazankowski (Vegreville): In rising to participate in this debate, Mr. Speaker, I want to go on record as supporting the amendments proposed by my colleague from Crowfoot (Mr. Horner). I believe that the hon. member for Peace River (Mr. Baldwin) outlined in very valid terms some of the reasons why the amendments should be supported, particularly those relating to the movement of goods interprovincially in such a way that we would have an unimpeded flow of agricultural products to all provinces.

We have heard a great deal in this country about unity. Certainly I believe that one of the prime requirements for national unity is the fundamental objective of economic unity. It is of the utmost importance that we have free movement not only of agricultural products but manufactured products as well across interprovincial boundaries.

Another amendment deals with the definition of a farm product as it relates to the objective of this bill. In this area I think we could allay the fears of those who have expressed concern over the fact that this could be coercive legislation if the amendment proposed by my hon. friend were accepted.

Some hon. members opposite have objected to the openendedness of this debate. I would point out, Mr. Speaker, that we are dealing with one of the fundamentals of this bill—the definition of farm products and an amendment to a marketing plan. It is in this context that we have to debate these amendments, bearing in mind that the objects of the bill are ostensibly designed to promote an efficient, competitive agricultural industry.

As has been pointed out by other hon. members, this bill has been with us for almost two years. One might ask why we need more amendments. The answer is very simple. This Bill is a classic example of the government's inability to manage effectively its program of legislation. There have been so many examples of this legislative mismanagement that the government should have learned its

lesson by now. Even after almost two years this legislation has not gained general acceptance across the country, and one would expect that any sane government would abandon it and make another attempt by introducing a properly drafted well defined measure. The bill is ill-conceived, poorly drafted, was presented to the public full of distortion, complete with misleading facts and grave misrepresentations.

To this point, some 30 amendments have been introduced. This is similar in nature to the grains bill, Bill C-275, which required some 40 amendments before it was half-workable, and to the stabilization bill, Bill C-244, wherein the government displayed its intransigence, its contempt for the law and the Parliament of this country. It is also similar in nature to Bill C-207, the government reorganization bill with its sweeping powers, and to the Auditor General's bill, which was withdrawn. I must also mention Bill C-259, the tax reform bill, which was forced through this House by closure.

The bill before us is no different from the bills I have cited, Mr. Speaker. Because the bill has been around for a long time the majority of producers who will be affected by its contents are becoming more and more alarmed by its implications. In spite of the clear manifestation of non-acceptance across this country, substantiated by the ruling of the Supreme Court, the government continues to pursue this piece of legislation and will probably use every conceivable method to put it through, whether that be by closure, coercion or some other method.

The sad fact about this particular piece of legislation and other pieces of farm legislation is that the government has removed itself completely from the realities of agriculture. The major problem facing farmers today is not overproduction; it is simply that they need a raise in pay. They need to derive more income for their efforts, having invested capital to produce foodstuffs for this country and the export market. They simply need more money in order to eke out a living and survive.

They do not need a union, as was suggested by my hon. friend from Fraser Valley West (Mr. Rose)—and I shall have something to say about that, Mr. Speaker. As cost of production continues to rise even though the method of production is being streamlined and is becoming more efficient, farm incomes are remaining relatively static. This type of situation makes it a haven for the integrator, for corporate monopoly processors, food companies and so on, to take over. They alone will capitalize on this type of environment.

• (4:30 p.m.)

This bill only sets out to simplify the transitional process by expediting the removal of the small farm operation from the land and placing it firmly in the control of monopolistic corporations. If we are to place any credence on the minister's declaration to the National Farmers Union meeting recently in Winnipeg that the small family farm is an asset and a desirable unit, then I suggest immediate steps must be taken to increase the net return to all farmers, not just to a select group of corporate structures.

A look at what has happened in the past few years reveals that the farm products index has risen from a level of 100, as established in 1961, to a level of 113.1 in 1971, a period of ten years. In the past three years the realized net income has been reduced by some 45 or 50 per cent. The cost price squeeze is having a tremendous effect on the life blood of the small farm community. These people will be forced to retire to an enforced retirement program of the sort enunciated by the minister in his small farm development program.

The government's answer to this is simply to help the big operators get bigger and to heck with the small fellow. In this bill, and in the various measures introduced, the concept of more efficiency is advocated. To me more efficiency means the provision of more goods and services at lower prices.

Let us look at what happens in other sectors. I do not have the figures for the whole of Canada, but in Alberta wages and salaries since 1967 have increased by 30 per cent. Correspondingly net income has been reduced by 44 per cent in the farm sector, while the cost of living index has increased something in the area of 13 per cent. At the same time, the commodity index relating to input in the agricultural industry has increased by some 14 per cent. This simply means we must take steps to improve the net income position of our farmers in Canada.

This bill does not set out to do this. There is nothing in the bill to indicate any measure of collective bargaining. There is nothing in this bill to establish a two-price system. Why is there nothing of this nature in the bill if it purports to establish an efficient, competitive and viable farm industry? Surely there should be some provision in this bill which for once allows the producer to dictate to the consumer his suggested selling price.

The bill, rather than putting the squeeze on the producer, should incorporate into its provisions adequate income maintenance and adequate returns for labour and investment. I know the incorporation of a two-price system for wheat involves a political decision, but certainly to ask for a realistic two-price system for a commodity such as wheat would not be asking for the impossible. Why cannot there be a system of protective devices for agriculture such as prevail in the European Common Market countries? It strikes me there should be such devices in this bill. But unlike agricultural policies in the European Common Market, the policies of this government are moving away from protective provisions for the primary producer, while all the other major agricultural producers in other countries are moving in the other direction. This government is asking the primary producer to be efficient, to be viable, to compete in international markets and to purchase his input in a protective Canadian market.

I do not believe it would be asking too much to incorporate some protective devices into our system so that the farmers can realize an adequate income from their effort and investment, something which continues to be increasingly difficult. A number of people have argued that this bill will give farmers the same opportunity to negotiate and to organize as the unions. I see nothing of this sort provided for. I simply say that this bill will strangle the opportunity of young people and old who wish to engage in the business of agricultural production.

The hon. member for Portage (Mr. Cobbe) mentioned that all other occupations and professions are organized.

My friends to the left say that we need unions and that farmers should be unionized. My hon. friend from Fraser Valley West knows that this bill does not set out any provisions for collective bargaining. It will simply strangle the young man's opportunity to become engaged in the agricultural industry. Opportunity will no longer be based upon ability, knowledge, initiative or desire, but rather upon ability to garner the necessary funds to buy out someone who is well established or some corporation.

In other words, the vested interests will be protected and the young farmer will end up paying for his equipment, his facilities and probably a handsome sum for good will. This would seem to me to be a retrograde step in the land of opportunity which I believe Canada still is. I believe there is still opportunity in the agricultural industry, but this bill is a retrograde step.

Furthermore, this bill constitutes, I believe, an inward approach to solving the ills of agriculture by controlling production, creating provincial barriers, and closing out the prospect of deeper penetration of export markets. I believe we must be ever conscious of the very important part the export of our agricultural commodities plays in our world trade. I believe we must be expansionary in our approach.

I think this bill places a damper on the future growth of our export industry. I am not alone in this belief; an editorial in the *Country Guide* lays this out in very clear terms. In speaking about the effect of the deal which was consummated by the provinces in relation to solving the chicken and egg war, it states:

> The agreement could bring them short-term relief for it may offer one way to bring egg prices back up to survival levels. But it may be little more than a short-term reprieve.

This bill is only ratifying the agreements that were basically reached by the provincial ministers of agriculture in respect of allocation of commodities and so on. The article states:

> But the effects of the agreement extend far beyond the poultry industry.

• (4:40 p.m.)

> The development places all farmers face-to-face with the most urgent issue facing them. Can their industry be one of growth? Dare Canada's farmers search for new and expanding markets in the U.S. and elsewhere in the face of Ottawa's apparent readiness to shut the border to U.S. food products and the likelihood of retaliation?
>
> The implications for beef and hog producers and others, who might want to share in fast growing consumer markets in other countries, could be devastating.
>
> It compels them to ask if they, too, must begin to cut back to Canada's domestic needs. Must they begin the retreat from export markets? Or must they commit their time and resources to a life-and-death struggle against politicians who would strangle them with restrictions and controls? The development forces each farmer to ask himself if government has abandoned its ancient role of being a servant of the farmer and set its sights on becoming his master?
>
> The poultry agreement results from another failure by Ottawa, and by provincial governments as well, to recognize the importance of agriculture and to develop policies which could give farmers an important role in Canada's future.

In that context one might very well ask what the Minister of Agriculture (Mr. Olson) meant in his speech to the thirty eighth meeting of the B.C. Federation of Agriculture in New Westminster B.C. when, in outlining his agricultural program, he said:

> This means a minimum of government intervention but a maximum of government help.

It would be rather interesting to hear the minister explain the context of this bill and its relation to a statement of that nature.

I and many other speakers who have participated in the long debate on this bill in committee and in the House believe that this measure is part of the over-all program of speeding up the rationalization process of the small farmers. There have been some changes, a new dressing on the cake, you might say. Some titles have been changed; for example a program has been renamed from an adjustment program to a small farm development program, but the content is the same.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I must do so to advise him that his time has expired.

Mr. Horner: I think the House is prepared to give the hon. member extra time.

Mr. Deputy Speaker: The hon. member may continue if there is unanimous consent of the House.

Some hon. Members: Agreed.

Mr. Mazankowski: Thank you, Mr. Speaker, and I would like to thank hon. members for allowing me to speak for a few minutes more.

I would merely like to place on the record the statements of Mr. Runciman, who is a well known and highly regarded individual, particularly in Canadian farm circles. He speaks of the same fear that we have expressed on so many occasions, that policies have been introduced by this government which have been aimed at speeding up the rationalization process. He states:

> The Canadian government's policies are designed to constantly cut back production and work toward a shortage situation and, if they force farmers out of business in the process, that's to their advantage.
>
> "The NFU believes milk production in particular should be expanded, not curtailed, because it is a key food around the world."
>
> Mr. Runciman is concerned with other farm spokesmen about the new federal development program which "regardless of the fine words ... aims to reduce the number of farmers in this country".

He goes on to say that there are programs which could be incorporated:

> Farmers in the Common Market countries receive more than double what Canadian farmers get for their grain, prices which make "your mouth water" Mr. Runciman said.
>
> "With prices like these stimulating production elsewhere in the world I think Canada would be ill advised if she went ahead and tried to solve world surplus problems with a unilateral program to reduce the number of farmers in this country".

This is the concern which we have continually expressed with regard to this bill. We feel that in the definition of a farm product all commodities should be excluded until such time as plebiscite is held or a significant number of producers of that commodity signify that they want to become party to the marketing plan. I do not believe that this is asking for too much. If this is indeed

enabling legislation, it should be left entirely to the producers of those commodities to decide whether they want to become a party to this marketing plan. It is they who should decide what the marketing plan constitutes, whether it would constitute a program of supply management of simply be for promotion and research. In my opinion this would lay the groundwork for this bill to become permissive or enabling legislation, rather than coercive legislation.

With regard to the free movement of agricultural products across provincial boundaries, I believe section 121 of the BNA Act should be upheld; and I believe it is the duty of the federal government to ensure that the ruling of the Supreme Court is asserted. The amendment proposed by the hon. member for Crowfoot (Mr. Horner) simply reflects the decision of the Supreme Court. I believe that if we are to have a bill with which we can live it is mandatory that these amendments be incorporated, and I urge that all hon. members lend their support to them.

In conclusion I would like to indicate that there are a number of people in this country who continue to have, more than ever before, serious reservations about this bill. I would like to read a letter which I received on December 20 from Coronado, Alberta from a gentleman by the name of Kenneth Cleven. I believe that he outlines in a nutshell some of the serious reservations that individual farmers across the country have about this bill. He writes:

Recently we hear alarming reports that Bill C-176 is again up for passage, this time reportedly with production control sections for cattle and hogs deleted. However, one can be quite certain that if this government were given another five year mandate these features would later be added.

That is something that I would doubt.

I am quite certain that any freedom loving farmer who has read this bill would be violently opposed to it. It is one step farther down the road to complete federal government control of our lives and they already have too much.

During World War II, as a member of the Canadian infantry I assisted in liberating European farmers from such a system—

Some hon. Members: Oh, oh!

Mr. Faulkner: Garbage.

Mr. Mazankowski:

—where inspectors would call to see that quotas were being met. Also, I have a brother-in-law from Norway who farmed under the Nazis. They would go to great lengths, at risk of the death penalty, to evade these quotas, such as by concealing an extra cow behind the hay mow in the barn or raising a few extra pigs back in the woods.

Mr. Faulkner: That is nonsense. I am surprised at you.

Mr. Mazankowski: I am surprised at the hon. member for Peterborough (Mr. Faulkner). He has simply not read the bill and he does not know what it contains. There are many implications in this bill and I am merely placing this letter on the record. It goes on to read:

One can readily see how difficult production controls would be to enforce in Canada, with our vast spaces and rugged terrain. It would require an army of inspectors, to be paid out of our production, and penalties would have to be severe. Canada would degenerate into a police state as far as farmers are concenred.

This gentleman could be a Liberal.

[Mr. Mazankowski.]

Mr. Faulkner: He is certainly not a Liberal. I dissociate myself from him.

Mr. Mazankowski: The letter goes on to read:

Being a former cream shipper I have had some experience with the Dairy Commission. Rigid, impractical rules and regulations laid down by bureaucrats have greatly increased labour requirements and cost of production and driven many farmers out of the industry.

• (4:50 p.m.)

In that connection, we have only to look at the record of the Canadian Dairy Commission to see what has happened. We have had a wholesale extinction of the smaller operators, those with delivery quotas of less than 420 pounds. Small creamery plants were forced to shut down. Now, because of political expediency, the minister has introduced an amendment to his Canadian Dairy Commission proposal reinstating those people who lost their quotas or who fell below their allotted minimum delivery requirement.

We now see the results of the Dairy Commission and their controls, the wholesale closure of cheese plants because of milk shortage, the breaking of contact between producer and cheese manufacturers (which is necessary for making top quality cheddar cheese) because of pooling arrangements, and now a shortage of butter. I expect to see a far greater shortage. There is some justification for government involvement in the dairy industry, being subsidized, but this is not so of cattle and hogs.

We in the cattle industry now have a very efficient marketing system, the law of supply and demand in North America, accurate market information, and producers making their own intelligent decisions. Cattlemen are almost invariably free enterprisers and any imposition of bureaucratic control between us and the market place would cause a mass exodus of worth-while producers from the industry and would result in beef rationing in Canada within a few years, unless our foreign reserves were large enough to import large quantities—

In closing I would urge you to force the government to withdraw this bill and bring in a new one, mentioning only those producers who have requested it. Of course they may use closure, but the voting public of Canada have shown in the past that they do not look kindly on closure.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, it is a real privilege to speak this afternoon in this debate on Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, and in particular on the amendment to which we are now addressing ourselves concerning the proposal that on page 1 at line 14 the clause should end after the word "agriculture".

As you know, Mr. Speaker, farming in Canada is an industry that is represented by many thousands of small producers, producers who could best be described as small businessmen. Unfortunately, as anyone who is interested in the agricultural industry knows or ought to know, the great tragedy that befalls agriculture in this modern day is that there are thousands of individual producers all producing a single product which must be sold to a very small and limited number of purchasers. This results in the fact, of course, that if there is not some semblance of balance between the amount of product produced and the demand for that product, then the income to the producer is forced to swing in exaggerated patterns, in a boom or bust cycle.

The best example of this is the recent case in Prince Edward Island—I think I have my figures correct—where a year or so ago the production of potatoes increased over the previous year by some 5 per cent. This resulted in a decline in income for the potato growers of some 50 per cent.

It amazes me, as a person from the province of Ontario representing an agricultural constituency, to hear members like the hon. member for Vegreville (Mr. Mazankowski) not so much attack the bill—because I suppose it is to be expected that the opposition would oppose and criticize—but to hear him saying, in essence, that he is against orderly marketing per se and in toto.

This is a an argument with which I heartily disagree. I venture to say that certainly Ontario members of his party, such as the hon. member for Kent-Essex (Mr. Danforth), who is held in high regard in this House, must surely disagree with the hon. member for Vegreville. I know that the hon. member for Huron (Mr. McKinley) and others must surely reject categorically this kind of ridiculous conclusion that somehow orderly marketing is going to hurt the farmers. It is disorder in marketing that hurts the farmers, not order.

Marketing which was not orderly, or was somehow organized so that the farmers themselves did not control it, would be something we ought to reject. I would be the first to reject it. That is why in Bill C-176 we have bent over backwards with respect to representation, particularly with respect to the Marketing council that is to be established. I point out that the council's role is to look into the situation as it pertains to any particular commodity and then to recommend to the minister whether or not a marketing agency should be established for that product.

The bill has already been amended in such a way that either the chairman or vice-chairman of the council must be a farmer, and at least 50 per cent of all members of the council must be farmers. Why did we insist on that? We insisted on that to be absolutely sure that no group of bureaucrats, or persons who were somehow removed from the agricultural industry, could in fact direct that industry.

Having done that we went even further to assure that, when the council looked into a certain commodity and how its situation was at any particular time, the council had to be convinced, first of all, that there was a majority of the producers of the commodity in favour of establishing some kind of an agency to promote or to direct the sale of that commodity before any agency would be established.

In discussing the particular amendment before us now we must also take a careful look at clause 17 of the bill on page 11. In order to appreciate properly clause 2(c), which is directly before us at the moment, we have to remember what is in clause 17, which will, of course, absolutely prevent the kind of horror situation, so well described, but wrongly, by the hon. member for Vegreville. This is what clause 17 says:

The Governor in Council may by proclamation establish an agency—

That is, establish an agency after the council decides that this would be a good thing.

—with powers relating to any farm product or farm products the marketing of which in interprovincial and export trade is not regulated pursuant to the Canadian Wheat Board Act—

The hon. member for Timiskaming might take note.

—or the Canadian Dairy Commission Act—

Mark these words, Mr. Speaker.

—where he is satisfied that a majority of the producers of the farm product—

Where are all these horrors and bogeymen hiding in the cupboards and closets, to whom the hon. member for Vegreville referred?

Mr. Horner: Keep on reading.

Mr. McBride: I will.

—or of each of the farm products in Canada is in favour of the establishment of an agency.

Mr. Horner: Keep on reading.

Mr. McBride: I will keep on reading because this will reassure some of the beef producers who have been misled by the Canadian Cattlemen's Association into being stampeded by this bill. Clause 17(2) reads:

The Governor in Council, in order to determine whether a majority of producers of a farm product are in favour of establishing an agency, may—

Mr. Horner: That is the key word. Change "may" to "shall" and we will go along with it.

Mr. McBride:

—may request that each Province carry out a plebiscite of the said producers.

This is because it is a provincial responsibility, something which even members like the hon. member for Crowfoot ought to know. When he starts hollering and pretending that he is representing the interests of the agricultural community I think he ought to know that many of these responsibilities come under provincial jurisdiction; and if he does not know—

Mr. Horner: Mr. Speaker, I rise on a point of privilege. The hon. member imputes some suggestion that I ought to know something, or is suggesting that I may have misrepresented certain things. He may not know that this very clause to which he is referring was moved by myself in committee, but I do think it would be far more meaningful if the word "may" were changed to "shall".

• (5:00 p.m.)

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for Lanark-Renfrew-Carleton.

Mr. McBride: Mr. Speaker, we are used to the hon. member for Crowfoot. Over the months, as a matter of fact for over two years in the agricultural committee, we heard him throw his tantrums that were supposed to impress the press and show that he alone had the best interests of Canadian agriculture at heart. I submit that if anybody looked at the amendments he moved and at the position he took in committee, a position which is similar to the one he is pursuing today, one would recognize that the fear motivating the hon. member is the fear that, somehow, the agricultural industry might become

independent of the control of the huge producer and that the small farmer might obtain some measure of control over his own affairs in Canada. For that reason I am impatient with the chronic complaints that we have heard, with the filibustering we witnessed in connection with Bill C-197 and which is continuing in the discussion of Bill C-176.

Mr. Horner: Nothing could be farther from the truth.

Mr. McBride: Of course, we all know—there is no need for me to point this out to the hon. member for Crowfoot or to any other person in Canada—that this bill requires that at least 50 per cent of the makeup of the council be farmers. The same requirement is to be applied to the marketing agencies that will thereafter come into being. That means that if an agency is set up to market pork, at least 50 per cent of those controlling or making up that agency must be hog producers, and it would only be set up if the majority wanted it in the first place. Perhaps the hon. member and others in Canada have very little confidence in the leadership and judgment displayed by those who produce the various agricultural commodities in this country. Perhaps he and others are afraid of permitting the control of the agricultural industry to fall into the hands of farmers.

I am not so afraid and am prepared and willing to submit two points to this House. First, I submit that it is high time the farmers of this nation had in their hands the legislative tools and equipment to bring the order that they in their wisdom wish to bring to the marketing of their own commodities. That is an elementary right, and it amazes me to see even the hon. member for Vegreville (Mr. Mazankowski), from whom one expects a reactionary position, standing up in opposition.

Mr. Horner: At least he is a farmer and knows what he is talking about.

Mr. McBride: Mr. Speaker, it seems to me that it is high time for us to be prepared to say to those who are producing any particular product "You know best." It is not for us to determine whether they do know best; that is not a matter for Members of Parliament or for bureaucrats but for the people within the agricultural industry to decide.

The main purpose of this bill is to place control over production and prices of commodities in the hands of farmers, as spelled out in the various clauses of the bill. The bill's purpose is to place into the hands of the producers of a product the control over that product if and when the producers want such powers.

Why are we so afraid to give producers power over their own product? Why are we so afraid, for instance, that if these powers are permitted of producers, the beef producers of Canada might somehow choose a course of action that would not suit a few of the big producers?

If we are not afraid of this, I cannot understand the position that has been taken by organizations such as the Canadian Cattlemen's Association. That group has kept assuring us of its position. They say that the producers of any commodity should not come under this bill if they do not want to come under it. When we say that we are ready to assure them that they have nothing to fear from the bill and that we have amended the bill in a couple of places to take care of their fears, it turns out that they are still unhappy. They say "No; we want to go one step farther. We want no cattle at all to be included in the bill. We want the bill to provide that cattle are specifically excluded."

From that position I can draw only one conclusion, namely that there are those in the livestock and cattle industry in Canada who have a deep and abiding fear that if there were to be a plebiscite on the question of whether a marketing plan should be established for the production of beef, such a plebiscite might carry.

An hon. Member: Nonsense.

Mr. McBride: Many suggest, "You know, if there were such a plebiscite and it carried, many little producers who do not have much influence at present would obtain as much influence as the big producers." To that I would say yes, that is correct.

Mr. Horner: Perhaps at the end of January, the hon. member will understand what is involved.

Mr. McBride: The time has come for people to stand up in the parliament of Canada and on the platforms of Canada and say they are prepared to fight for the little producers, and not just for the big producers.

An hon. Member: Hogwash.

Mr. McBride: If hon. members are not afraid of the little producer, why are they afraid of this bill? I say to the hon. member for Crowfoot (Mr. Horner), who seems to be the spokesman for the association and who is most impatient in his remarks, that if he is not afraid of what the majority believes, he has nothing to fear from this bill.

Mr. Horner: I agree.

Some hon. Members: Oh, oh!

Mr. McBride: On the other hand, if he is afraid that somehow the majority of the very producers about which I am concerned will not vote the way he wants them to vote, what means has he available? What must one do in such a case, Mr. Speaker? I suggest that one has to do the same thing one must do in the destruction of any democracy: one has to prevent the question from being considered. Do not let the vote come. Do not let beef be included, because "the day might come when the beef producers would want something that I as an individual and a few of my wealthy cronies do not want." I deplore that attitude. I deplore that such a position has been taken in the House.

Mr. Horner: Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Boulanger): Order, please. I will recognize the hon. member on a question of privilege. I wish that hon. members would keep order in the House so that the Chair might follow the speech. There has been so much shouting that it has been almost impossible for the Chair to follow the speech. I recognize the hon. member for Crowfoot.

Mr. Horner: Mr. Speaker, I rise on a question of privilege.

An hon. Member: Again?

Mr. Horner: I mean it. No work will be done before six o'clock unless the hon. member withdraws the remark he made. He imputes that I am working for vested interests, for the wealthy ranchers. I am in no way doing that and I want those remarks withdrawn.

The Acting Speaker (Mr. Boulanger): Order, please. I did not hear the remark which the hon. member wishes to have withdrawn, because I have been having a hard time hearing what has been said.

Mr. Horner: Mr. Speaker, on the same question of privilege—

Mr. McBride: Mr. Speaker, if I may say—

The Acting Speaker (Mr. Boulanger): Order, please. I did not hear or see any matter that could give rise to a question of privilege. The hon. member for Lanark-Renfrew-Carleton.

Mr. Horner: Mr. Speaker, I am rising on a question of privilege.

Mr. McBride: Mr. Speaker, the main purpose of this bill is, of course, to make sure that the agricultural industry—

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for Crowfoot rises on a question of privilege.

Mr. Horner: Mr. Speaker, I well understand the difficulties that you may or may not have been under in hearing the hon. gentleman's remarks, which everybody else heard. I point out that they will show up in *Hansard*. The hon. member imputed motives to me and suggested that I have been working on behalf of my own vested interests and those of wealthy friends of mine in the cattle industry.

Mr. McGrath: Withdraw.

Mr. Horner: I assure both you, Mr. Speaker, and this House that I live in what I have often referred to as the desert of Alberta. Many families moved out of my neighbourhood in the dirty thirties because they could not make a living in the area. The area I represent consists of small, hard up farms in the dryest part of Alberta, a part in which less than nine inches of rain falls in a year. We grub about for a living.

The Acting Speaker (Mr. Boulanger): Order, please—

Mr. McGrath: On a point of order, Mr. Speaker.

Mr. McBride: Mr. Speaker, the bill before us this afternoon—

The Acting Speaker (Mr. Boulanger): Order, please. The hon. member for St. John's East rises on a point of order.

Mr. McGrath: Mr. Speaker, I concur in what the hon. member said. I think the question of privilege raised by the hon. member for Crowfoot was well raised. The hon. member who spoke previously had no right to impute motives. That was exactly what he did and it was improper.

The Acting Speaker (Mr. Boulanger): Order, please. I will settle the matter by saying that I did not hear or see anything that would give rise to a question of privilege. That is why I will again recognize the hon. member who has the floor.

Mr. Horner: Mr. Speaker, I rise on a question of privilege.

Mr. McBride: Mr. Speaker, earlier this afternoon—

The Acting Speaker (Mr. Boulanger): Order, please. Will the hon. member please resume his seat. I remind hon. members again that the Chair is doing its best. The hon. member is rising on a question of privilege. The Chair heard nothing which might give rise to a question of privilege, but there was trouble hearing what was said as a result of the past few minutes. I wish the hon. member would not take advantage of the member who is presently speaking. The Chair will do its best. As the hon. member knows the rules, he will know that I have already—

• (5:10 p.m.)

An hon. Member: You said that before.

The Acting Speaker (Mr. Boulanger): Order. I already said that I did not hear any question of privilege raised.

Mr. Horner: I rise on a question of privilege.

The Acting Speaker (Mr. Boulanger): The hon. member for Lanark-Renfrew-Carleton.

Mr. McBride: The bill before us this afternoon is of extreme importance.

Mr. Horner: Mr. Speaker, this is a point of order.

Mr. McBride: We are used to having a certain amount of obstruction.

The Acting Speaker (Mr. Boulanger): Order. Will the hon. member resume his seat.

Mr. Horner: Your Honour may or may not have understood the intent of my first question of privilege. I recognize that Your Honour is trying very hard to master the full task of being a Speaker, but I never heard Your Honour ask the hon. member to withdraw those remarks. Naturally, that is your prerogative. If you did ask the hon. member and he has not withdrawn those remarks, then I say to him through Your Honour that he is a cheap s.o.b. that the United Church is welcome and glad to be without.

Some hon. Members: Oh, oh!

Some hon. Members: Shame.

The Acting Speaker (Mr. Boulanger): Order.

Mr. Horner: I gave him plenty of opportunities to withdraw that remark. If he wants to indulge in name calling, he will get it right back.

The Acting Speaker (Mr. Boulanger): Order.

Mr. McBride: One of the advantages of being in a debate on a question like this is that the side you are on is clearly demonstrated.

Mr. McIntosh: On a point of order, Mr. Speaker. Your Honour made the excuse that you did not hear what the hon. member was saying. By insinuation, you also referred to this side of the House, indicating that we were the cause of Your Honour not hearing what the hon. member said. At the time the statement was made, we all heard it. I agree with the hon. member for Crowfoot (Mr. Horner) that it should be withdrawn. I do not think Your Honour should allow this debate to continue without making the member withdraw what he said. If you did not hear it, it will be reported in *Hansard.*

The Acting Speaker (Mr. Boulanger): Order.

Mr. McIntosh: Wait until I get through with my question of privilege.

The Acting Speaker (Mr. Boulanger): Order.

Mr. McIntosh: I am rising on a question of privilege.

The Acting Speaker (Mr. Boulanger): I ask the hon. member to resume his seat. I will repeat what I said before the question of privilege was raised. I was rising to state that there was disorder in the House. I could not follow the hon. member who was speaking. When the Speaker asks for order, he should have the order of the House. I do not see any question of privilege at this time. The hon. member for Lanark-Renfrew-Carleton.

Mr. McBride: Mr. Speaker, the issue before the House today is one of great concern.

Mr. Hees: On a point of order, Mr. Speaker. I think everyone in the House except Your Honour heard what the hon. member said. I quite naturally believe Your Honour when you say that you did not hear what was said. I wish to make a suggestion. I know the Chair will agree that the rules must be followed and that no hon. member is allowed to impute motives to another member. I suggest that Your Honour wait until six o'clock, examine *Hansard,* come back at eight o'clock and then make your ruling. I quite agree you cannot make it now if you claim you did not hear it. Naturally, we accept Your Honour's word. I think this matter should be cleared up and I feel this is the way it should be done.

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Lanark-Renfrew-Carleton.

Mr. McBride: Mr. Speaker—

Mr. Hees: Mr. Speaker—

The Acting Speaker (Mr. Boulanger): Order. The hon. member did not get my point that I did not hear. I will look at the blues when I receive them, that is for sure.

Mr. McIntosh: You never said that.

The Acting Speaker (Mr. Boulanger): I may not have said it, but that is what I meant to say. I will read the "blues" at six o'clock. If there is any ruling to be made, it will be done when we resume.

Mr. McBride: Mr. Speaker, if my aim was to cause havoc in the House I would have more cause for a question of privilege then does the hon. member. When the hon. member stands up and uses foul language concerning me, it brings dishonour on the House and on the constituents he is supposed to be representing. Surely all members in this House are prepared to follow the advice of Cardinal Leger who reminded us that the facts are also the truth. In this instance, it happens to be that many of us are long since convinced that there must be some interest somewhere. If you do not want to spell it out, you do not have to, but I will spell it out categorically. There is some interest somewhere other than the interest of the small farmers being represented by the hon. member.

Mr. Horner: Mr. Speaker—

Mr. McBride: If he were convinced and wanted to show that he was most concerned about the small farmer in Canada, he would act accordingly. He would not be concerned about blocking the legislation presently before the House.

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

Mr. Horner: Mr. Speaker, the House knows that last week and this week I have shown a preparedness to make progress on this legislation; but if Your Honour is going to allow the debate to degenerate into name calling and imputing motives to various members, I can assure Your Honour that the debate will become more difficult as this week and the month of January progresses. Very little progress is apt to be made in the passage of this legislation. Having said that, Mr. Speaker, I ask Your Honour to ask the hon. member, for whom I would like to retain some respect, to withdraw the remarks that he imputed to myself and to my actions in this House.

Mr. Speaker: Order, please. As has been pointed out by the hon. member for Crowfoot (Mr. Horner), it is not in order to impute motives. It is as simple as that. It is not a matter of withdrawing words. As hon. members know, there is a distinction between withdrawing words which are unparliamentary—

Mr. Horner: Mr. Speaker,—

Mr. Speaker: Order, please. The hon. member asked me to intervene, and I am pleased to do so. What I am pointing out now is that the hon. member who has the floor has no right to impute motives. I am sure he will want to indicate that he is not imputing motives, as the hon. member for Crowfoot pointed out.

We will not make too much progress if we do not limit the debate to the motion before the House. The hon. member said the Speaker's job will become even more difficult. I hope that will not be the case; it is difficult enough. I invite the co-operation of all members, particularly the hon. member who has the floor, in limiting their contributions to what is before us, which is a very specific motion. I ask the hon. member to keep in mind that he has no right to impute motives to hon. members, either on his side or the other side of the House.

Mr. McBride: Mr. Speaker, what is before us is Bill C-176. It is an act to establish the national farm products marketing council and to authorize the establishment of national marketing agencies for farm products.

Mr. Speaker: Order, please. I do not intend to enter into an argument with the hon. member, but from the point of view of procedure, that is not what is before the House. What is before the House at the moment is a motion, not the bill itself. The hon. member has to make an attempt, as all hon. members are required to do, to relate his remarks to that motion. It is extremely difficult for the Chair to determine at all times whether all members are going beyond the four corners of a debate in the consideration of a motion. While I was in the Chair earlier this afternoon, I gained the impression that some of the speeches went somewhat beyond the limitations of the motion before us. I took it upon myself to remind hon. members to limit themselves to what is before us, namely, these motions. I make the same appeal to the hon. member who has the floor at this time.

• (5:20 p.m.)

Mr. McBride: With all respect to your ruling, Mr. Speaker, I think that if you look at the blues you will find I was speaking to the motion before us; I was talking about cattle and calves, which are to be removed from the bill by the amendment.

Mr. Horner: On a point of order, amendment No. 2 is not up for debate, the amendment dealing with the exclusion of cattle and calves. We are now supposed to be dealing with amendments 1, 5 and 22, which do not mention cattle and calves. I wish to draw this to Your Honour's attention and, perhaps, through you, to the attention of the hon. member.

Mr. McBride: I presume the hon. member's purpose is to prevent us from having our say in this debate, and he appears to be doing this quite successfully.

Mr. Horner: You can have that all through January!

Mr. McBride: We are discussing the clause before us—

Mr. Speaker: I hope we may leave that discussion behind us for the time being and try to address ourselves to the substance of the motion.

Mr. McBride: I am almost tempted to rise on a question of privilege and ask whether a man has a right to make a speech without phony points of order and questions of privilege being raised by members opposite with no other purpose than to prevent that speech from being made.

Mr. Horner: Mr. Speaker, the hon. member is suggesting I have raised phony points of order. I should like Your Honour to clarify what amendments we are dealing with. In my view we are dealing with amendments Nos. 1, 5 and 22. It is amendment No. 2 which deals with the exception of cattle and calves and it is not now before the House. My point of order was not a phony point of order, and if the hon. member insists on saying it is I suppose I should insist on rising on a question of privilege.

Mr. McBride: The committee of this House which was charged with considering the substance of the motion standing in the name of the hon. member for Crowfoot (Mr. Horner) held 66 meetings and arranged for public hearings in Halifax, Quebec City, Toronto, Winnipeg, Regina, Edmonton and Vancouver. So a great deal of time was spent in trying to assess whether this bill in its totality was in the interests of Canadian agriculture.

It seems to me the time has now come when we should be prepared to vote for or against the measure and get on with it. There are now plenty of protective devices included in it to make sure that no product can be brought in if the producers of that product do not want it brought in. That is the purpose of the amendment before the House at the moment. It is true that the bill as originally drafted did leave too much room for other than producers to have too much say, but this weakness has now been corrected. The point has been met and we now have before us a far better bill. It aims to set up machinery whereby a product controlled by a marketing agency in a province may be regulated across the country by a federal agency. Its object is to establish a marketing council, of whose members at least 50 per cent, or five out of nine, shall be primary producers.

Critics of the bill have suggested that it might be destructive of the agriculture industry; those were the words of the hon. member for Vegreville (Mr. Mazankowski). But the purpose of the bill, as I see it, is to provide a means whereby the provinces can get together with respect to products about which they are themselves concerned. Whether it be eggs or poultry or turkey or beef or any other of the commodities mentioned, the provinces could get together to work out a plan of marketing which was acceptable to them all.

The provinces already have legislation governing the marketing of certain products, but are unable to apply it on a national basis in the absence of legislation such as we see before us. In effect, as we all ought to know, Bill C-176 is enabling legislation. It does not coerce anyone into doing anything. So I do not understand why we should be so anxious to exclude certain products. If legislation such as this had been in force earlier there is little likelihood that the chicken and egg marketing war would ever have got started.

Mr. Speaker: Order. I regret to interrupt the hon. member but apparently his time has expired. As hon. members know, it is difficult to determine at what point the time allotted to him actually ended because there were a number of points of order raised. He could continue, of course, with unanimous consent.

Mr. Hees: Agreed.

Mr. Speaker: There appears to be unanimous consent to allow the hon. member to continue.

Mr. McBride: I thank all members of the House for the courtesy extended to me, as it was to the hon. member for Vegreville. I shall conclude as rapidly as possible by pointing out that it is a very serious matter, in my opinion, that a large number of producers of beef should be spooked or frightened into believing somehow that regardless of the safeguards which have been provided, regardless of the amendments which have been brought in, there is nothing but evil intent on the part of the government or on the part of people like myself—that we are here, as the hon. member for Timiskaming (Mr. Peters) said, to destroy the agriculture industry, that we

are holding a reunion to say farewell to the family farm, and a lot of nonsense like that.

As one of my constituents said to me many months ago when this bill first came before parliament, the only freedom Canadian farmers really have today is the freedom to remain poor. If they wish to preserve that freedom, if farmers wish to remain poor in their thousands, as autonomous, separate businessmen, they will continue to place themselves entirely at the mercy of those who buy their products.

It is to the advantage of those who buy agricultural products to keep production chronically out of line with the demand, so that at all times products can be purchased at a much lower price than would otherwise be the case. The farmers I represent have learned from bitter experience that when prices fall, usually as a result of over-production, a farmer has two choices; he can either go out of business or he can work harder and produce more. In effect, he is running faster to go slower, because although he will be working harder and longer he will probably be making less. Farmers are doing this because the government has been too slow, too inept, about bringing in adequate farm legislation. For this, it should be roundly condemned. It seems passing strange that, when we do bring in a bill, hedged around with guarantees for minority groups, regional groups and others, even though I would say it is very likely inadequate, we should get into a two-year filibuster, a bunch of nonsense about forcing small farms out of business, and so on.

• (5:30 p.m.)

All we have to do is block this bill for a few more years and then there will not be any more small farms. They are scarce now. The time has come when more of us ought to be prepared to say in this House and outside that regardless of any group of people in this Parliament, we ought to bring this matter to a vote and arrange things so that we do not discriminate against any product. In other words, no single product should be excluded from the bill, so that any group of producers of any commodity could come under the bill and have the advantages of it.

To allege that democracy is somehow being destroyed and the moral fibre of farmers is destroyed by saying to them, "If you want to improve your lot, we will help" is something that I fail to understand. How the hon. member for Vegreville (Mr. Mazankowski) and others can stand up with straight faces and their supposed concern for agriculture and speak this nonsense is beyond me. They say, in effect, that the government has this bill as one part of a total package, which is to remove all people from rural Canada. This is absolutely not true and the hon. member ought to know that. The day comes when you stand up and say, "We are not here to fight for the big boys; we are here to fight for the little people, the people who are the backbone of agriculture".

Some of the fellows from the Prairies over there leave it to people over here like myself to defend western Canada. Where are the people from Nova Scotia and rural Alberta who should be prepared to get up and say, "I believe in the small farmer enough that I want him to have some legislation." I realize that this bill is inadequate and that it should be stronger, but I am for it. If you want to attack this government it should be attacked solely on the ground of this legislation doing so little to enable farmers to help themselves, instead of being condemned for doing too much. How can you be doing too much when farm incomes in Canada are too low? How can you be going too far when you are saying that you want the benefits to apply across Canada? We will give them to you.

The time has long since come when members of Parliament ought to ask themselves whether it is enough to assure their re-election in a rural riding by telling a bunch of half-truths or even untruths about the terrible situation of agriculture and by attempting to pretend that the difficulties this modern era has brought to agriculture are created by the present government, and that if this government is about to move to alleviate some of those difficulties it has to be stopped, otherwise the farming community might realize that we are trying to help their situation. I think that is the cheapest, most petty and most despicable type of politicking ever perpetrated in Canada. There is far too much of this going on in the rural communities of Canada just for the sake of political gain, to the effect that it is to the advantage of some people to keep the farmers in poverty.

If you want to condemn this bill, why have you not got the courage to say that it is inadequate and that you want more for farmers, not less? Why hold it up for two years? Why be so concerned with beef? Why not leave it to the beef farmers: if they want it, let them have it. If they don't want it, they won't get it. If the farmers of Canada are begging for help, why block it? Why not say, "The time has come when the farmers of Canada need assistance". Why condemn the government for not giving it to them? Why ruin your Christmas recess in order to ensure that somehow the farmers continue to suffer enough that you can continue to create the false impression that it is the government's fault and if only you were in power you would correct the situation? This is unmitigated nonsense, Mr. Speaker, and surely the people ought to recognize it.

I appeal to the House not to emasculate this bill, not to take any commodities out of it. There are safeguards in it to ensure that no commodity will be included unless it wants to be. Let us leave it that way. Let us do something for the farmers, and do it now.

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, it has been some time since Bill C-176 was last before the House and I must admit I have some ambivalent feelings about seeing it back again today. It is like meeting an old acquaintance who has been away on a long voyage.

Amendments Nos. 1, 5 and 22 have been put forward by the hon. member for Crowfoot (Mr. Horner). My purpose today is to speak in favour of these amendments. Basically, what is at stake in discussion of this bill is the question of free trade among provinces. Also at stake is the principle of free enterprise which the farmers of this country have enjoyed ever since Canada in its present form was established. Through Bill C-176 the government hopes to impose a bureaucratic, political solution on the issue of free trade among provinces as well as that of free enterprise in the agricultural industry.

We in this party believe that policies which encourage aggressive and imaginative marketing should be instituted for the benefit of the producer. But we do not believe that Bill C-176 is the kind of imaginative marketing solu-

tion for which we are looking. We do believe that the government has a responsibility to set the environment for successful marketing of farm products in the national interest, but placing too much authority in the hands of bureaucrats and vested interests is fraught with danger to the agricultural industry. It is also fraught with danger to the country, since a bill of this nature could well lead to severe balkanization of the country.

There is no question that the bill in its present form is an improvement over the original bill presented some months ago. The hon. member for Lanark-Renfrew-Carleton (Mr. McBride) made mention of it, but I think he erred in his statement in trying to claim credit for bringing about the change. The fact is, the country should be thankful to the opposition parties for the changes. But the bill in its present form, although an improvement, is still not what the people of the country want. It still has to be amended and polished and improved to such a degree that it will serve the needs of the producer and not simply the needs of the government. I believe the amendments we are discussing will help to achieve this aim.

At this point I would like to touch briefly on the principle of supply management which this bill proposes. In discussing supply management we must constantly keep in mind the other principle which is basic to agriculture, the principle known as free enterprise economy. In a free enterprise economy, while it is recognized that improved marketing mechanisms at the primary producer level are needed, it is also important that one keeps in mind the fact that market prices as determined by normal demand and supply relationships are an indispensable part of our free enterprise economy. Any legislation, therefore, in this area should augment the free market rather than place artificial restrictions and controls on it.

In the past, marketing boards of certain types have proven to be useful tools for orderly marketing. The Winnipeg Chamber of Commerce sent a brief to the Standing Committee on Agriculture in February, 1971, which suggested that the major functions of marketing boards should be the following:

(a) Product promotion and market development for the purpose of expanding sales potential through creation of new demand, both within Canada and abroad;

• (5:40 p.m.)

(b) Quality standardization and control of produce for purposes of creating new and continued demand;

(c) Collective marketing to give a better balance between the limited number of buyers and the many sellers that normally exist for the raw product. This approach can take three forms:

(i) Single agency marketing with all producers receiving an annual "pooled" price for their products, as differentiated by quality;

(ii) Single agency marketing with each producer receiving market prices for his product as of date of sale;

(iii) Some combination of individual product pricing and overall price pooling;

The final function suggested by the Chamber of Commerce is supply management as an attempt to control the ultimate product output in order to strengthen prices by limiting supply relative to projected market demand. This process depends on such alternatives as restricting the number of producers, limiting the inputs used by the producer or limiting the quantity of output that each producer can sell.

It is recognized from the above points that marketing boards could play an important role in expansion of product promotion, quality standardization and some form of collective marketing. But in the context of the free enterprise economy, supply management, which suggests limiting the inputs used by the producer or limiting the quantity of output by the producer, is a regressive move, inconsistent with the realities of international and interprovincial trade. This kind of supply management in the long run would damage the agricultural industry because it suggests too many controls and a negative approach to increasing produce prices. It would seriously curtail the growth of efficiency within the industry. It would also limit severely the entry of new and possibly more efficient producers into the business of agriculture and at the same time maintain inefficient ones not otherwise able to compete on an economic basis. I think the point concerning possible limitation of entry of new producers is a very important one since it takes away from Canadians the freedom to choose the kind of life's work which they desire.

The various restrictions I am referring to go completely against the grain of the philosophy in which farmers believe. There is no need to tell you, Mr. Speaker, that a very large segment of our population in Canada is here precisely to get away from too many restrictions, too many controls and too much government. Many people who immigrated to Canada came here because this has been a land, at least until now, where individual initiative, individual ambition and hard work are respected virtues which can only be practised fully in an environment of freedom to make one's own decisions, and freedom from bureaucratic control which has the effect of telling the producer what to do and in so doing would destroy his initiative and his right to make this own decisions.

Since supply management on a national basis requires quota allocations by provinces, regional economic differences would not be taken into account, resulting in decreased efficiency. Such locked-in inefficiencies would result in artificially increased prices which could price us out of international markets and which, at the same time, would require import restrictions to protect our domestic market. Ultimately, the consumer would bear the cost resulting from a reduced supply.

With regard to collective marketing by marketing boards, there is also a danger in that the pooling of prices removes incentives from the individual producer and fails to recognize differences in quality of products. However, it is recognized that by pooling, severe fluctuations in prices which are unforeseen can be prevented in respect of individual producers. The question is, then, is the Canadian economy best served by an industry that resolves its differences and adjusts its resources primarily by political rather than economic processes?

This bill is a good example of the government's assuming omnipotent capabilities to solve problems by technocratic manipulations. It fails to perceive the consequences of the balkanization and retrenching of local interests. It fails to perceive the handicap to young people wishing to enter agriculture because of the capitalization required in supply management. It fails to perceive the fact that polit-

icization of an industry by way of supply management historically leads to misallocation of resources and further inefficiencies, ultimately resulting in lower prices for the farmer for farm produce and higher prices for the consumer. For the small farmer this is a double cut. He gets less for his product but must pay more for his own food.

Of course, the general direction which this government is taking is to remove small producers. This bill provides statutory power to further this kind of adjustment. In other words, it would remove some 200,000 farmers from agriculture. I think we must look to other kinds of solutions to the problem of decreasing farm income. We must look to development rather than to removal from the industry of masses of people and masses of small farms. The effect of this bill would be the greater and greater shrinkage of Canada's agricultural population. I say this would be unproductive and inhumane. Economically, it is retrograde.

In addition, it is certainly impossible to say that Bill C-176 is an anti-poverty weapon. The concept of this bill originally was to control marketing of chickens and eggs. Perhaps that is all it should do. Certainly other producers, particularly cattlemen, have persistently indicated that they want no part of this kind of program since this bill could create a small class of privileged farmers by sacrificing the smaller producer and the young people of rural Canada. It differs from provincial marketing legislation because provincial marketing legislation does not have the dangerous powers which would be given to agencies under this bill.

For these reasons and many others, Mr. Speaker, we must conclude that the bill as it now stands is not in the best interests of the agricultural industry and that these amendments, namely, amendments Nos. 1, 5 and 22 would go a long way toward improving the bill. It has been said that there has been agreement by the provinces that only chickens and eggs should be included. There are dangers in that as well, the same dangers I have already discussed. Chicken and egg production in certain provinces is in the hands of very few individuals. It is natural that these few individuals would want to keep out all other producers and potential producers. That, I think, at best could be described as a selfish interest. However, I would probably be willing to go along with it if other amendments put forward by our party were accepted.

As has been mentioned before, this bill through the formation of marketing boards would restrict free trade of farm products. This poses a danger for the Atlantic and prairie regions. The potential for future and continued prosperity of these have-not areas is absolutely dependent upon their being permitted free and unrestricted access to all markets in Canada as well as outside Canada. With free trade of farm products, efficient production of farm products is assured. Without extensive markets a rationalization of Canadian agriculture is impossible.

The provincial markets of the Prairie and Atlantic provinces can never be large enough to supply the demand necessary to absorb the increased farm output which would result if agriculture were revitalized. Unless farm output is rationalized and unless free access to markets is guaranteed, the income-generating potential of rural Canada will be severely curtailed. With the curtailment of this vital source of growth, the have-not regions of Canada will become more unequal participants in confederation. The very essence of confederation was to guarantee free access to the entire domestic market no matter where the particular product was produced. The effect of the marketing boards will be to protect local producers from outside-the-province competition. Such protection can only be damaging since it forces retaliation by other provinces.

[Mr. Yewchuk.]

• (5:50 p.m.)

The result of this balkanization is the complete disintegration of the Canadian economy. Under the guise of efficiency, the Canadian government will strip certain areas of a strong agricultural sector. It will require other areas to attempt to be self-sufficient in respect of farm products. Such an attempt can only lead to higher prices for consumers, inefficient use of resources by the agricultural sector and reduced income for all but a few big farms. Every farming organization and every friend of the farmer should resist the passage of this bill in its present form. If passed, Bill C-176 will mean the end of a dynamic rural community and possibly the end of confederation as we know it today.

I conclude by saying that I think many of the comments made by the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) are complete nonsense. He tried to imply that this bill would help small producers and small farmers. I have had a close look at the bill as well as at the many briefs which were presented and I fail to see any facts to substantiate the comments made by the hon. member.

Mr. Mahoney: You don't know anything about it.

Mr. Yewchuk: The hon. member for Calgary South (Mr. Mahoney) wants to make it known that he has come back after the recess. We acknowledge that. He agrees that he does not know anything about it. I agree with him on that.

I urge every member of this House to take a serious look at the three amendments before us. If agreed to, they would improve the bill and make it more acceptable to the producers who, after all, are the ones about whom we are most concerned. I think the amendments would create a situation where the government would be in a better position to serve the people, rather than the reverse where the people serve the government.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, it is said that this is the kind of world where you have to run as fast as you can to stay where you are. The hon. member for Lanark-Renfrew-Carleton (Mr. McBride) referred to farmers being in a world where they have to run as fast as they can to fall backward. The debate on Bill C-176, the farm marketing legislation, has some Alice in Wonderland qualities about it so I do not think I would be remiss if I quoted from "Alice in Wonderland". If I were a practical politician, a minister of agriculture attempting to put through the House of Commons a bill having to do with chickens and eggs, I would have limited this farm marketing bill to poultry products. Politics is the art of the possible, but for two years we have been trying to solve the impossible.

I cannot support the Conservative amendment because as a farmer I believe in orderly marketing. Although I think this is a poor bill, it is the only one around and we have to put up with it. Certainly as an opposition member on this side of the House I have found it very difficult to do very much with the bill. We have suggested some amendments. The hon. member for Lanark-Renfrew-Carleton said that we should be criticizing the government for not having promoted adequate farm legislation sooner. I agree with him in that respect. As a farmer I have been unhappy with the way in which farmers have been ignored and I have been unhappy with the marginal position of farmers in the marketplace. If this marketing bill were to help me or other farmers to obtain a stronger voice in settling this problem, I would be only too happy to support it. I wish it were a better bill, but I do not see how the amendment before us would bring this about.

A lady from the Consumers' Association of Canada complained to me. She said that prices to consumers might increase and we would be in a position to dictate to the consumer. I am not particularly interested in dictating to consumers, but as a producer I would like to be in the same position as anybody else when it comes to setting the price. That is what I am interested in. I would like to see this bill give farmers a bargaining position in setting a fair price for their products. We should give the farmers a good bargaining position. Since this is only a permissive bill, it is logical that farmers should be able to pick up the ball and run with it as they see fit.

To be fair to consumers and to those who process farmers' products, I agree that they need a steady supply of a product if they are to manage it well from the processing or distribution point of view. In order to get a steady price you need a steady supply of a product. This makes me think of the story of a little brown hen which sent her eggs to market only to find out what she was not going to get for them. This type of thing has gone on for too long.

It seems to me that even a poor bill such as this is better than no bill at all. For this reason we support the bill, hoping that it will be amended before we are finished with it. A bill must be applicable and it should have an adequate framework. This bill should provide for small farmers, because they should have the right to market their products and they should have the right to a place in the sun. I am not speaking only in the social sense but in the economic sense as well. I would like to make certain that the smaller farmers have a percentage of the quota so that they will not be frozen out of the market as soon as they are able to produce a product that is needed in the marketplace.

May I call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Regina East (Mr. Burton)—Public Service—Displaying of political posters by employees at home or on personal property; the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall)—Industry—Pulp and paper—Problems discussed at conference and type of aid offered; the hon. member for Moose Jaw (Mr. Skoberg)—Grain—Request for tabling of report on rationalization of handling and transportation.

It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FARM PRODUCTS MARKETING AGENCIES BILL

ESTABLISHMENT OF NATIONAL MARKETING COUNCIL AND AGENCIES

The House resumed consideration of Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, as reported (with amendments) from the Standing Committee on Agriculture, and motions Nos. 1, 5 and 22 (Mr. Horner).

Mr. Thomson: Mr. Speaker, when one starts his speech before the dinner hour one is never quite sure of the stage reached when the House rose, and I am sure people in the public galleries are not aware of what is happening when a member rises to continue a speech.

Before the dinner recess I was referring to the problem of a small farmer who attempts to get an adequate price in the marketplace for his product. It seems reasonable to me that farmers should join hands with their neighbours and use a marketing board, agency or some form of market management body to reach a common solution of their individual problems. I have known many small farmers who tried to solve their marketing problems themselves. One method they used was to attempt to produce more from the same amount of land, cutting costs and having members of their family contribute free labour. However, generally the net effect was a reduced price in the marketplace and the farmer and his family received less than they should for their produce. Well organized sections of society do not do this, so it is not reasonable that farmers should do it.

Speaking as a farmer, I say it is time for farmers to forget individual efforts. The idea that a farmer can raise any number of chickens, hogs, eggs or what-have-you without regard to the marketplace, and later apply for a government subsidy, is ridiculous in this day and age. Farmers must accept some responsibility and organization. Up to date commercial farming does not operate in the same way as subsistence farming used to work. Farmers nowadays have certain costs that must be met. They can operate on a deficit only so long before facing bank-

ruptcy. Farmers must be prepared to meet modern challenges. The farmer himself must manage his farm, his finances, his livestock and field operations. The marketing of produce is generally far removed from his farm. It is handled by somebody else, and on an individual basis the farmer generally gets skinned. This has happened to me, and most farmers have experienced it.

Many grain farmers in western Canada took a trimming until they joined together, formed pools and finally began to operate under the government Wheat Board. Experience in earlier days makes me think of the old farmer who, when grain was on the open market, always seemed to sell his when prices were lowest. At present I know some farmers who seem to sell their livestock only when prices are lowest. It is time they joined together to overcome this problem.

Despite its deficiences, this bill does provide some leadership in the direction of orderly marketing. If farmers do not join together to solve their problems, someone else usually benefits. An example was given this afternoon of the large, integrator feed mill operator who decides to put birds out on contract, with the result that the farmer gets only 10 cents a bird. The farmer gets the short end of the stick. If farmers join together to solve their problems, such things might not happen.

During the dinner hour, Mr. Speaker, I phoned a farmer in my riding who has discussed this matter with me at some length to see if he had changed his opinion and to ask him whether we should proceed with a bill of this nature. Sometimes it is wise to check with the people back home. This farmer is a medium sized hog producer and also raises cattle and grows some grain. He told me that despite the deficiencies in the bill which I had mentioned to him, he would like to see it passed. There is no provincial hog marketing board in Saskatchewan. This farmer is concerned not only about the low prices he gets for his hogs, but he is worried that if the rest of the country organizes he, as a Saskatchewan farmer, might be frozen out of the market. For this reason he wants us to pass this bill.

We live in a changing world where we see multinational corporations running grocery and department stores. If there is a powerful bargaining agent on the side of the consumer, I would like to see the farmer put in the position to talk turkey to such people. I do not intend this as a pun, but certainly a turkey farmer needs to be able to talk turkey to such people and insist on an adequate price for his product.

We would like to see some changes made in the bill. As a western Canadian producer in an area from which we have traditionally moved surplus meat into eastern Canada I would like to see protected our historic rights in that respect. We would like to see a bargaining agency established to work for the farmer. If a forward price is set, the producer has the benefit of knowing what he may get next year for a particular product.

Finally, Mr. Speaker, we would like to see adequate appeal provisions inserted in the bill so that if farmers are not satisfied their complaints may be heard. This appeal would not be to the agency but to the Crown. I am not suggesting that there will be problems, but we should be prepared to deal with them if problems arise. I know there are other hon. members who wish to speak on the bill. I have no desire to monopolize the time of the House. In conclusion, I wish to say I am in support of orderly marketing, especially for farm products that are presently in trouble, and we should move right away to do something about it.

• (8:10 p.m.)

[*Translation*]

Mr. Marcel Roy (Laval): Mr. Speaker, it is with some apprehension that I take part in this debate on a bill to establish marketing agencies for farm products on a national scale. I am convinced all hon. members know to what extent the government wishes to find a solution to the slump in agriculture.

I am also convinced that it is not by adjourning the House, as proposed this afternoon the hon. member for Crowfoot (Mr. Horner), that we will solve the problem of the farmers.

When you received that request, Mr. Speaker, you called in the members, which gave us a chance, through a recorded division, to see to what extent the leaders of the Progressive Conservative party, the New Democratic Party and the Social Credit party are interested in the debate. Indeed, the Canadian people will note tomorrow when reading *Hansard* that those three leaders were away, but that the Prime Minister (Mr. Trudeau) was present.

Mr. Speaker, it shows how much we want to help the farming industry, how much we are concerned by its problems and how much the government members wish to approve such a—

[*English*]

Mr. Deputy Speaker: Order, please.

Mr. Horner: On a point of order, Mr. Speaker, the hon. member has been speaking about a vote which took place this afternoon. It is against the rules of the House of Commons to reflect on a vote already taken. Secondly, the vote was on a procedural matter. It was on whether we have representative government in Canada. It was not on Bill C-176. The hon. member has been implying that in essence the vote was connected with Bill C-176.

An hon. Member: You were not here.

Mr. Horner: I was here.

Mr. Deputy Speaker: Order, please. I have listened closely to the remarks of the hon. member for Laval (Mr. Roy). In my opinion he was not reflecting on the vote. He made an observation about the hon. member for Crowfoot (Mr. Horner) moving the adjournment of the House. In fairness to the hon. member, he did not reflect on the vote.

[*Translation*]

Mr. Horner: That vote was not on Bill C-176.

Mr. Roy (Laval): I thank you, Mr. Speaker, for calling the hon. member to order. I have heard him for two years in the Standing Committee on Agriculture. On the 23rd of March last, I had to listen to him until 8:20 a.m. So, I

would like him to let me express my views on this legislation.

Let us get back to the subject. What reasons have made us consider this problem? I would first say that our agriculture is in deficit. I think that at present no farmer is so happy with the situation prevailing on the markets. If one considers the net farm income realized last year, one sees that our Canadian farmers incurred a loss of 10 per cent, and I would not want this legislation to be considered in terms of a competition between Eastern and Western Canada. Quite the contrary, Mr. Speaker, I want to approach this legislation, as all my colleagues have done, that is as a member of the Canadian Parliament, and not as a representative of a specific area of our country.

So, in all objectivity, we shall look into the present situation. There are two alternatives: to keep on producing without taking demand into account or to put some order in the market.

We had surpluses in spite of a 50 per cent decrease in farm labour and a 25 per cent reduction in the number of farms in the last 20 years. Agricultural production has increased by some 50 per cent. This increase has been greater than that of demand. What were the results? Never before have such an abundance and such a variety of food products and prepared foods been available to the Canadian housewife.

In 1957, food expenses represented 23 per cent of the income of families and individuals after taxes. In 1968, the percentage was 19 per cent. While consumer prices have increased by 56 per cent from 1949 to August 1968, prices for agricultural products have only increased by 21 per cent.

So that is what the agricultural problem is all about. It is not a production problem. It is a marketing problem.

Without adding to our technical know-how, without resorting to any new methods, we could increase our livestock by 20 million heads of cattle, as compared to the 6½ million we now have.

The same applies to the dairy industry; we could double our production without necessarily increasing the number of heads. We could simply increase our output per unit a little. The production per unit, with regard to cattle, hogs or farm products, has increased a great deal.

What happens if we increase production regardless of the consumers' needs?

There are direct effects on prices to producers.

Mr. Speaker, I do not think the bill establishing national marketing agencies should be considered only from the viewpoint of imposing quotas on poultry products, of solving the chicken and egg war.

The first purpose of the bill is to set things in order, to study farm marketing problems. We should not have in mind to set only poultry production in order. There was really a problem about poultry production and we were very pleased when the federal government granted a $388,000 subsidy for the shipment of production surplus to Japan.

It was a subsidy to the broiler industry of Quebec which was losing $250,000 a week. There is no doubt that the financial assistance of the federal Department of Agriculture helped the agricultural industry.

Now if we are convinced of the importance of orderly marketing of farm products, we must accept—

[*English*]

Mr. Horner: Mr. Speaker, would the hon. member permit a question?

Mr. Roy (Laval): Mr. Speaker, my time is limited. I will accept questions when my speech is concluded.

[*Translation*]

I think that if we are aware of the importance of such a legislation, if we really believe in the farming industry and if we want to help it, we should pass this bill without any amendments.

Further, to show to what extent the government is concerned with the problem of marketing farm products, one has only to refer to Bill C-197. We considered it in committee for seven days. We received briefs from all associations that have been willing to submit their views to the committee on agriculture. The members of this committee travelled across Canada, they visited all the Canadian capitals and examined the briefs that have been submitted.

Then, Bill C-176 was introduced in this House on October 26; two days were spent for the second reading and 37 for consideration in committee. To show you the extent of participation from interested parties and the consideration that the briefs received the committee accepted 36 amendments to try to improve this bill, to make it a realistic bill that meets with the farmers' needs. Then, 52 amendments were rejected, but of these eight are still before us at the report stage.

Now, Mr. Speaker, I shall point out to those who believe this is just a chicken and egg controversy that while we were touring the country a question was directed to the Minister of Agriculture of Ontario. This morning, I was listening to the hon. member for Peace River (Mr. Baldwin) stating that there should be free movement of all farm products.

And on January 25 last I addressed to the Minister of Agriculture of Ontario the following question, which I quote from Issue No. 14 of the committee proceedings:

• (8:20 p.m.)

Thank you. I have a question for the minister. Does the minister know that since we started to balkanize the provinces, the Quebec broiler producers or the Quebec poultry meat producers lost $250,000 a week since this situation has developed. As a Quebecker, I think that is the application of the separatism thesis that some people want to develop in Quebec, and I think the reaction was so bad actually in Quebec because it was impossible to find any solution during your negotiations.

To which the minister replied:

First of all, Mr. Roy, if I may, sir, with great respect, I take exception to the comment you made that we started to balkanize because of the broiler situation. I respectfully submit, as I did this morning, that the balkanization of Canada started in 1935 with the implementation of the Wheat Act. It seems strange to me, sir, that it is now being referred to as the balkanization of Canada when we talk about broiler and egg problems in Canada.

I think therefore that the primary objective is not to restrict this bill to broilers and eggs and that the first balkanization policy of the provinces has begun, as the Ontario Minister of Agriculture said, with the establish-

ment by the Conservative government, in 1935, of the Canadian Wheat Board.

Now, Mr. Speaker, attempts are apparently being made to exclude such products while alleging that this bill is good, but not for us. It is alleged that the Canadian Wheat Board is excluded from the bill; beef will also be excluded and the hon. member for Crowfoot seems to be the protector of small producers. Some members of the opposition are attempting to make political hay by asking: What will happen to the family farm? What is going to happen to our family farms?

In fact, they want to exclude beef and veal, but those same people base their arguments on recommendations or suggestions from a very powerful organization to which they often refer—the Canadian Federation of Agriculture. Representatives of the Canadian Federation of Agriculture appeared before the committee. They presented a brief on January 14 and here is the recommendation which they made concerning beef and veal—I quote:

We do regret the proposal to exclude cattle and beef from the legislation—

—which is contrary to some people's wishes. I quote, because opposition members often refer to the Canadian Federation of Agriculture. Here is what they went on to say:

In doing so, producers marketing cattle for feeding and slaughter are deprived of the opportunities for close and competent examination of the industry through the medium of the Council that the legislation would provide, at once, or in the future. There are a great many producers of cattle represented through this Federation who do not share the views on this issue of the organizations opposing inclusion of these products. It should be stressed that inclusion in the Bill in no way commits the industry to support an acceptance of any marketing plan now or in the future, but exclusion does rule out the possibility of using the Act for useful purposes as may, on examination of the issue, appear.

The hon. member for Crowfoot seems to imply that farm organizations are opposed to the inclusion of beef and veal. He speaks on behalf of big producers at the expense of small ones, which is precisely what the Canadian Federation of Agriculture wanted to point out in the presentation of its brief on January 14, 1971.

Mr. Speaker, this is a very important bill. For those who want to have certain categories of producers excluded from it, I will read clause 17 dealing with the establishment of agencies, and I quote:

The Governor in Council may by proclamation establish an agency with powers relating to any farm product or farm products the marketing of which in interprovincial and export trade is not regulated pursuant to the *Canadian Wheat Board Act* or the *Canadian Dairy Commission Act* where he is satisfied that a majority of the producers of the farm product or of each of the farm products in Canada is in favour of the establishment of an agency.

That means that if the beef or calf producers do not want to be included in this bill they will not be if they so desire.

I cannot see why we would eliminate a category of producers if we look closely at clause 17.

Mr. Speaker, I would like to conclude by making a suggestion. I have tried to draw the attention of this House to a product marketing program and I would like to call the attention of the minister on the report of the Federal Task Force on Agriculture which was established on October 10, 1967. Here is what a newspaper had to say on the subject:

—only 8 per cent of researchers in agriculture are doing research work in the area of economy and marketing.

In other words, only one man-year out of 200 alloted to agricultural research production in Canada applies to the field of marketing. So it is urgent to review this situation.

It seems to me that since our productivity is higher than our potential consumption we should direct more of our research work, of our research personnel toward the marketing of agricultural products.

This, Mr. Speaker, is something I would like to suggest to the minister.

In my view, this bill is most important. We want to deal with the current agricultural slowdown. When UCC officials met on November 1st with Quebec members of the government party, they submitted a brief and advised us as to the extent—

• (8:30 p.m.)

[*English*]

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member. I do so to advise him that his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: If there is unanimous consent, the hon. member may continue. Is there such consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Roy (Laval): Thank you, Mr. Speaker. I also wish to thank all my colleagues for their cooperation and assure them I will be brief.

I was saying that the UCC also tried to have the Quebec members of the government party recognize the situation currently facing hog and laying hen producers. For instance, this brief mentioned, in connection with hogs, that when production cost was $29.50 per 100 lbs, the average selling price was $23.50. For 1,700,000 hogs, the deficit was then $10,200,000.

As for laying hen production, the deficit was $4,860,000.

For turkey production, the deficit was $1,125,000, that is to say an aggregate deficit of $16,285,000, solely for the production of hogs, layers and turkeys in the province of Quebec.

I am convinced that those figures are inconsistent with regard to production costs in Ontario and in the Maritimes.

Throughout 1969-70—I have the statistics here—in the eastern provinces, there was an 8 per cent increase, namely of 278,000 hogs, and in the western provinces, a 32 per cent increase, or about 1 million hogs. A tremendous production increase resulted in price changes at the producers' level and it is for that reason that Quebec producers suffered a loss of about $10,200,000.

We are all aware of the importance of agriculture and it is for this reason that we are looking into the farmers' problem between Christmas and New Year's Day and are trying to find a solution. Bill C-176, to establish marketing agencies will be that solution. All products should be

included. If some producers want certain products to be excluded, section 17 will give them satisfaction.

In conclusion, I wish to say that agriculture as much as society needs an agricultural policy to promote economic growth. That is what the government party wants to achieve through the passage of this bill.

[*English*]

Mr. Horner: I know the hon. member is very desirous of bringing about orderly production and marketing, but does he not agree that this all depends on the price and fair distribution of feed grains?

[*Translation*]

Mr. Roy (Laval): Mr. Speaker, is my dear colleague referring to distribution at the consumption or at the production level?

[*English*]

Mr. Horner: Production.

[*Translation*]

Mr. Roy (Laval): Mr. Speaker, I believe that the establishment of quotas, as stipulated in the bill now before us, will surely be discussed by each minister and each province and that concensus will be arrived at, as stated in the bill, by the producers themselves. Now, I believe that this answers the question asked by my hon. colleague.

[*English*]

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, on rising to speak on amendments Nos. 1, 5 and 22 to Bill C-176, a bill designed to introduce the principle of supply management to the production of agricultural products. Let me say I believe, as my party believes, that production should be curtailed only when the majority of the producers of the product concerned clearly indicate that they wish to curtail production.

The majority of producers of eggs and poultry across Canada have said very clearly that they wish the introduction of production control. We therefore believe it is quite satisfactory for the federal government to step in and apply the principle of supply management to the production of these two products. However, I think the majority of producers of other farm products have clearly indicated that they do not wish their products to be so controlled. This being the case, I do not think they should be controlled by the federal government.

Mr. Marchand (Langelier): That is what the bill says.

An hon. Member: Go back to sleep.

Mr. Hees: I believe the federal government should adopt the same policy that was followed by the Conservative government which preceded it. That policy was to encourage farm production by taking effective steps to sell our surplus agricultural products in the export market. The application of this principle had several results. First, it relieved pressure on domestic prices of agricultural products and, second, it ensured that our products were sold in their entirety either in Canada or on the export market, obtaining for Canadian producers the best possible market. Such an aggressive and expansive policy is a very far cry from the negative, restrictionist policy presented in this bill.

• (8:40 p.m.)

Mr. Speaker, I very strongly urge, and our party strongly urges, this government to start to do something constructive along these lines, to start now to organize a massive export trade drive similar to that which was organized by the Conservative government which preceded this government in power. It should endeavour to sell our agricultural surpluses in the export market, gaining for our producers the best possible price and protecting the prices of products sold in the domestic market as well.

This can and must be done, Mr. Speaker. It can be done if this government will simply get off their fat behinds and get to work, instead of sitting back and doing nothing about selling our products around the world. This lethargy is the reason our export trade has increased by a mere 5 per cent over last year. This is a disgraceful performance and something which must be corrected right away.

I see that you feel I should return to the bill, and naturally I shall, Mr. Speaker. In order to make it unnecessary to apply the principle of supply management to products that have not been indicated by the majority of the producers of them that they wish the production of such products to be curtailed, this government must organize a sales drive and go out into the export market and sell our surplus products. This will enable our hard-pressed farmers to receive a fair return for their products and will restore agriculture, at long last, to a healthy and profitable condition.

Mr. William Knight (Assiniboia): Mr. Speaker, we have heard quite an interesting speech by the hon. member, but perhaps he should not be given the responsibility once again of being the minister of industry, trade and commerce—"Sell, no matter at what price or at what cost". But there was very little in his speech pertaining to the legislation with which we are dealing.

Mr. Speaker, having listened with a great deal of interest throughout the day to the arguments put forward by hon. members on the question of orderly marketing and Bill C-176, I suggest that the amendment proposed by Her Majesty's Loyal Opposition is probably based on the very dismal record of the present government in terms of its handling of agricultural policies over the last 3½ years. One needs only to reflect on the unsuccessful Lift program to see what a failure this government can be when it comes to such things as supply management. We can also look at the operations of the Canadian Dairy Commission to explain the reluctance of some members on this side of the House to blindly accept the proposed legislation.

When the bill was first introduced in this House under another number it read in such a manner as to not merely allow the government to create a situation of orderly marketing but to control marketing in the interests of the government, and to control production. It was not what I would consider orderly marketing. It was through the work of opposition members on the Standing Committee on Agriculture that we have seen some of the improvements in the legislation.

The amendments we are now discussing would become even more redundant, Mr. Speaker, if some other amendments were accepted by the government. I should like to deal with the amendments on the assumption that the bill

as it now stands is reasonable. I begin by saying that I was pleased to see that the government changed the requirements for representation on the council. The council is to consist of—

—three and not more than nine members, at least 50 per cent of whom shall be primary producers—

Possibly that could have been worded to make them almost all primary producers. The government has made some change in that the agencies as well have a majority of primary producers on the board. However, may I suggest that the government consider some additional changes to the agencies. Possibly the agency should be representative of the primary producers in the sense that they are elected by the primary producers affected by the particular agency in question. I would also suggest that the primary producers who become members of the agency have the right to bargain for price supports and subsidies to their programs when they find that prices are inadequate. As the elected representative of the producers, this agency should be allowed to set minimum and maximum prices, assuming that there can be minimum and maximum prices.

The Conservative amendments do not take into consideration that this is permissive legislation which allows the producers themselves to decide whether they wish to come within its terms. I refer to the bill which in section 7(2) provides:

The council, in reporting to the minister under subsection (1), shall not recommend the establishment of an agency in respect of a farm product or farm products or the broadening of the authority of an existing agency by vesting it with powers in relation to a farm product or farm products unless it is satisfied that a majority of the producers of the farm product or of each of the farm products in Canada or in the region of Canada to which the recommendation relates is in favour of such action.

If producers of certain commodities are not inclined toward the concept of orderly marketing, they have the option of deciding among themselves not to become involved. There are other areas of this bill that could be improved in order to make it more workable. There is, for example, the whole question of the establishment of quotas. We have seen the results of the operation of the Canadian Dairy Commission in terms of the quotas that dairy producers received and the amount of production allowed. In light of that experience, the government should consider changing this legislation in order that we may have, in the words of the amendment proposed by the hon. member for Saskatoon-Biggar (Mr. Gleave):

A marketing plan to the extent that it allocates any production or marketing quota to any area of Canada, shall allocate that quota on the basis of the production from that area in relation to the total production of Canada over a period of five years immediately preceding the effective date of the marketing plan. In allocating additional quotas for anticipated growth of market demand, the marketing agency shall be guided by the principle of comparative advantage of production.

In other words, Mr. Speaker, it is not to deter a particular area or region from the quotas it deserves. It is, in fact, a matter in which each area is allowed its fair and just share of the quotas under that particular product. There is also the question of the manner in which the farmer may appeal if he is not satisfied with the way the agency is handling his particular quota. The council shall make such inquiries and take such action within its powers as it deems appropriate in relation to any complaints received by it from any person who is directly affected by the operations of an agency and that relate to the operations of such agency.

• (8:50 p.m.)

I believe that particular manner of appeal in this legislation could be strengthened by the use of the amendment suggested by the hon. member from Fraser Valley. There should be every option available to the farmer to appeal to the agencies of the council in terms of the manner in which his particular products are being handled. I believe there should be a tightening of the means of appeal within this legislation.

There is another area which, if improved, would make the amendment suggested by Her Majesty's Loyal Opposition somewhat more redundant than it is; that is, if the government would consider the question of promotion in respect of selling farm products, as suggested at page 17 of the bill, to which I should like to refer for a moment, where it states that an agency may "undertake to advertise and promote and do research into new markets for the establishment of greater sales." The hon. member for Her Majesty's Loyal Opposition just referred to this. The government is introducing a clause which deals with promotion of farm products and increasing their sale, I suppose especially in the export market. Then at page 19 we find this provision in clause 27:

Subject to subsection (1) of section 28, an agency shall conduct its operations on a self-sustaining financial basis without appropriations therefor by Parliament.

The only appropriation is a grant from the Minister of Agriculture in order to get the agency started. I suggest to the government that if it wants to improve this legislation so as not to face amendments such as those introduced by Her Majesty's Loyal Opposition, it should take into consideration the fact that more funds should be available to the agencies in terms of grants from the government in order that those agencies may do the proper kind of research to ensure that all products have an opportunity to be sold in foreign markets.

We in the New Democratic Party, for a considerable length of time in history have been essentially in favour of orderly marketing. We still take this position. I suppose the definition of "orderly marketing" over the years has somewhat changed in terms of its effect upon the primary producer. Some of the changes I have recommended to the government in terms of this legislation would do a better job of ensuring that there is real orderly marketing.

In conclusion, I suggest there are approximately three areas in which this legislation could be improved. First of all, the bill should relate market-sharing quotas to historic production records. It should strengthen the farmer's bargaining power in terms of prices, and it should improve the farmer's appeal procedures. I suppose the dilemma we face in this party in terms of the legislation is that we have a government which is introducing legislation dealing with orderly marketing and we have before us its record in terms of agricultural policies. It is not a question of opposing orderly marketing but of whether or not we can trust the Liberal Party to handle orderly marketing.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I very much appreciate the opportunity I have to express my views on this bill which in my opinion is one of the most important ever introduced in the House in the last three years. I think all hon. members will realize that we needed legislation that could alleviate the difficulties agriculture has been facing for many years, that means realistic legislation.

In fact, it seems to me that all hon. members intend to help our farmers as much as possible. Since lack of planning has been deplored, the government prepared Bill C-176. And, having examined this bill long enough, I feel the government probably will do Canadian producers a service.

I believe in the merits of this bill and I do not hesitate to say that ever since I was elected to this House, agricultural groups in my constituency have been in favour of legislation designed to control production. Considering the experience that Canadian producers have had with this policy of supply and demand, which has put the farming community through ups and downs, without ensuring price stability for consumers, I think it is easy enough to recognize that a piece of legislation such as Bill C-176 will prove most beneficial to the people.

Of course, after 18 months, you try to introduce some amendments. Yet I am under the impression that this bill was adequately discussed in committee. At this stage, we could have saved time and legislated seriously, for the benefit of farmers.

• (9:00 p.m.)

Like many others, I promised the farmers I would fight for the interests of those who live in my riding, not for the sake of a few individuals, but for the good of a community. I will ask the government to keep on doing whatever is necessary to offer the farmers the service that Bill C-276 represents.

I say "service", Mr. Speaker, because taking into account the amendments designed to reduce the scope of the bill, we know full well that this bill to establish a national council, which provides adequate representation of agricultural leaders on that council, previous consultations with the representatives of the ten provinces—something we have not witnessed often in this country—to discuss quotas, distribution of national production in terms of each province, and marketing, to the extent where it would be favorable to the majority of the producers of a given commodity, offers the solution to all the problems.

All the worries of the hon. members who object against that legislation are dispelled.

In my opinion, it is clearly defined in page 8 of the bill and I quote:

(2) The Council, in reporting to the Minister under subsection (1), shall not recommend the establishment of an agency in respect of a farm product or farm products or the broadening of the authority of an existing agency by vesting it with powers in relation to a farm product or farm products unless it is satisfied that a majority of the producers of the farm product or of each of the farm products in Canada or in the region of Canada to which the recommendation relates is in favour of such action.

Mr. Speaker, it seems to me quite clear. If Bill C-176 is a service made available by the government to farmers who may use it according to their needs, it would indeed be unfortunate if the government would amend the bill and exclude some products, because once again the legislation does not compel farmers to accept quotas. Thus the farmers will be able to take advantage of the legislation if they so desire.

I think that we could not, except through this bill, achieve stability in the interest of the agricultural class, and stability of prices, which is also necessary, cannot be achieved without production control.

The policy of supply and demand that some would like to keep has nonetheless brought about great difficulties and we know too well today overproduction in various fields to believe that this policy is still valid today.

I was listening a short while ago to the hon. member for Prince Edward-Hastings (Mr. Hees) who was talking about the good policy of the Progressive Conservative government when it was in power. I would like to believe that the Progressive Conservative party had an excellent agricultural policy—it would be dishonest for me to claim the contrary—but times have changed and difficulties have not decreased. A new act is also desirable.

The government feels that Bill C-176 could solve the problems now facing the farmers.

Bill C-176, as I was saying, leaves the decision up to the majority. I come back to this because I believe that this paragraph is important. Why exclude some products? When we know very well that some day these categories of producers will perhaps need this legislation which will be there for them to use. Once again, they will be free to use it or not.

Some mention was made of difficulties between provinces. It was given to understand that this would bring about confrontations. On the contrary, without Bill C-176, we have known such difficulties, such trade barriers between the provinces. On the contrary, I think it is wrong to claim that Bill C-176 will bring about these problems.

Worries were also expressed about foreign competition which could be too rough. Having a National Council would prove an ideal way, I think, to make the minister of Industry, Trade and Commerce (Mr. Pepin) aware of the need to limit certain imports from time to time, but I also think that the National Council, created in accordance with Bill C-176, would be the best channel to reach the responsible minister.

There was also concern about the disappearance of some small producers, and the same hon. member who said that Bill C-176 was going to drive many into the ground admitted at the same time that for ten years now we have seen thousands of them cease their operations. Yet Bill C-176 was not in force during the last ten years.

So it is foolish, I think, to bring in such an ambiguous argument.

I believe rather that the small producer will one day benefit from the establishment of production quotas and will have the assurance of selling his production at a reasonable price, which will encourage him to pursue his farming career. The big corporation which can only too easily assimilate small producers will have a harder time

doing it because small farmers will be guaranteed security.

Moreover, Mr. Speaker, this will encourage farmers' children to remain in agriculture, thus ensuring them of some stability and security.

I think the objective of Bill C-176 is to give farmers the security workers enjoy today as a result of improved programs. Farmers are also in need of a better farm policy, and I am convinced that Bill C-176 will achieve this goal.

In any case, if we really want to serve the farming community, I believe it is time we stop moving all these amendments.

This bill has been under consideration for months. Our farmers are particularly anxious to see this piece of legislation enacted. We could, in a very short time, solve some of the problems that may arise among farmers who want to live in agreement with all provinces in this country. I believe this bill will bring about what has never been done before, namely to bring to the same table representatives from all provinces, in order to discuss together the problems that affect the whole nation.

It is unthinkable to continue to pass measures at the provincial level, because we all know that compensation will come sooner or later. I believe that the Minister of Agriculture has met on several occasions with provincial ministers of agriculture and that it is no exaggeration to say that most of them agreed that the bill should be introduced with amendments. From the start, it has been changed and reviewed and today there still seems to be opposition to this instrument indispensable to farmers who need stability and security.

I believe that all the objectives which our farmers have at heart will be achieved through Bill C-176. There can be debate and even petty politics about the bill, but I do not feel it is right to delay its passage any further, knowing full well that it is our farmers who will be footing the bill.

Perhaps a more efficient measure could have been imagined, but in the House nobody has proposed such a measure yet. Therefore it seems to me that we should act quickly and at the same time let hon. members express their views. I congratulate all those who take part in this important debate, but I believe that we should also be honest with the farmers. I think we must also be practical and give the agricultural community an instrument that we have not tried yet. We passed a great deal of measures concerning agriculture, but we know the results today. The problems have not disappeared and the causes for concern remain.

I think that Bill C-176 will eliminate a number of these problems and part of this concern. If the government legislates seriously and honestly to improve the condition of the agricultural community, this community will live better and enjoy an income comparable to that of unionized workers.

Mr. Speaker, I close my remarks by calling on hon. members to give serious thought to this bill which will not divide the country but unite Canadian farmers for the benefit of the provinces and for the benefit of all Canadians.

[Mr. La Salle.]

• (9:10 p.m.)

[*English*]

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I am very happy to take part in this debate and express my support for the very worth-while amendments that we are discussing. If hon. members pass these amendments I believe we will get somewhere. They are important to all the people who are concerned with this bill. In this context I refer to many people who strongly favour marketing bills. In this particular instance I refer to the Saskatchewan Wheat Pool, who have stated:

> Be it resolved that the Saskatchewan Wheat Pool press for producer representation on the marketing council, and majority producer representation on the marketing agencies.

These are some of the things they believe in and that we are seeking. We have a perfect right to do so because these are sound, logical amendments. I recall when Saskatchewan held a plebiscite not many years ago with respect to a marketing bill applicable to livestock. Today I tried to get the exact figures that were recorded in that plebiscite, but failed. I do know that the livestock producers voted overwhelmingly against that bill. I believe they should have that right again and should not be forced by this bill. I would also like to mention the Saskatchewan Wheat Pool. This is a sound organization, but its members also feel that the producers of individual commodities should have the right to determine, by way of plebiscite, whether they want an agency to handle the marketing of their produce.

I take strong exception to the speech delivered this afternoon by the hon. member for Lanark-Renfrew-Carleton (Mr. McBride). He said that my colleague, the hon. member for Crowfoot (Mr. Horner), was speaking only for big interests and ranchers. I want to tell him that the hon. member for Crowfoot speaks for all his constituents. I shall refer to some statistics for the benefit of the hon. member, statistics which he can pass on to his constituents. The Saskatchewan Wheat Pool, in a release dated December 22, 1971, stated:

> Average net income of Saskatchewan farmers has dropped to $2,650 from $5,640 between 1969 and 1970, according to the Saskatchewan Department of Agriculture.

Possibly the hon. member would go back and tell that to his constituents. Perhaps he would like to go back and tell his constituents more of the truth and let them know some of the things that are taking place. Possibly he would tell them that this country, with its so-called just society, which has experienced an increase in population of less than one million since 1965, today costs twice as much to administer as it did in 1965. Perhaps he would like to tell his constituents some of the truth with respect to what is happening in this just society, instead of criticizing members of the official opposition.

Mr. Speaker: Order. I apologize to the hon. member for interrupting. I appreciate that his remarks to this point are introductory in nature and that he will be coming to the substance of his speech and turning to the motions which are before us. However, it seems to me that his last remarks were outside the terms of the motions now before the House.

Mr. Cadieu: Mr. Speaker, all of the hon. member's remarks were allowed to go on the record this afternoon

when you were not in the chair and I think I should be allowed to place some of the truth on the record so that he can go back and tell his constituents what is taking place. I apologize for straying from the subject of the amendments, but this was allowed this afternoon and I think the people should be told about it.

Mr. McBride: On a point of order—

Mr. Cadieu: He should go back and tell his clergy on Sunday—

Mr. Speaker: Order, please. Hon. members should try not to be personal in debate.

Mr. McBride: On a point of order, Mr. Speaker, since the hon. member keeps referring to me, I suggest he check *Hansard*. He will see that I referred to this amendment and described how the bill would help small farmers.

Mr. Horner: You didn't even know what amendment was up for debate.

Mr. Speaker: Order, please. The hon. member for Meadow Lake (Mr. Cadieu) has the floor.

Mr. Cadieu: We will get away from all that, Mr. Speaker, and talk about what is going on and what is in the cabinet's mind. The livestock producers do not want to be included in the provisions of this bill. These are the only amendments that we are pressing and if they were adopted we would be willing to let the bill pass. They are good, sound, sensible amendments. As I have said, the members of the Saskatchewan Wheat Pool do not believe that producers should have a marketing bill forced on them without first having an opportunity to make their views known in a plebiscite. That is what we are seeking, Mr. Speaker. The livestock men would not have risen up in the way they did if it was not something they did not want. They do not want this bill forced on them. Why should it be forced on them?

We in western Canada brought in the Wheat Board. We are proud of it. That is a great piece of legislation. It gave the people the right to say whether they wanted the board or not. I think cattlemen should be given the same right.

Mr. McBride: They have the right.

Mr. Cadieu: Last spring, when this legislation was introduced, we were continually called to meetings throughout our constituencies and the cattlemen packed the halls and said they did not want this marketing bill.

Mr. McBride: And did you tell them the truth?

Mr. Cadieu: Why force them into it?

Mr. McBride: We are not forcing them.

Mr. Cadieu: Put the bill through in a form which says that producers of an individual commodity who desire to use it, may use its provisions.

Mr. McBride: That is what the bill says.

Mr. Cadieu: That is not what you were talking about this afternoon. You were criticizing the official opposition. I want you to go back and tell your people what is happening. I am sure all hon. members received a particular document on their desks this afternoon. Mr. Speaker, do you know what it would cost the producer of eggs in British Columbia if he wanted to increase his production by a dozen eggs per week? It would cost him $3.85.

Mr. Horner: No, $385.

Mr. Cadieu: Yes, $385—just to produce another dozen eggs.

Mr. McBride: Who wrote this?

Mr. Cadieu: It is all written up here. I am sure you received this document on your desk.

Mr. McBride: Who wrote it up? Hudson?

Mr. Bigg: You've got a big mouth, McBride.

Mr. McBride: Tell us about the wheat pool.

Mr. Cadieu: It is just completely ridiculous that the Minister of Agriculture (Mr. Olson) and the government are tying up the House of Commons for a petty, stupid thing. They are trying to be dictators, to force something on the producers that they don't want. Let us take a look at this bill. Let us get down to earth and read the whole bill. I have read it a dozen times. All the livestock producers in my area say they do not want it. And I warn hon. members not to think that all hog producers are in favour of it. Look at the situation in Manitoba. What part of this bill do they want?

Mr. McBride: Tell us about Schreyer.

Mr. Bigg: Shut up, McBride.

Mr. Deputy Speaker: Order, please. I invite hon. members to respect the hon. member for Meadow Lake who has the floor. The Chair would like to hear the hon. member.

• (9:20 p.m.)

Mr. Cadieu: The hon. member for Laval (Mr. Roy) has spoken. We are not opposed to Quebec's introducing marketing legislation. They can bring that in; we are not opposing it. We feel they have a right to vote for it, if that is what they want. However, we do not want, and the producers out west do not want, them to tell us that we must accept this bill.

Some hon. Members: Hear, hear!

Mr. Nowlan: Down with the Social Credit Minister of Agriculture.

Mr. McBride: On a point of order, Mr. Speaker, the hon. member has implied that this bill is for the benefit of Quebec only and is against the interests of the west. That is categorically untrue.

An hon. Member: That is no point of order.

Mr. Deputy Speaker: Order, please.

Mr. Peters: The hon. member has had his turn.

Mr. Deputy Speaker: Order, please. Would the hon. member resume his seat, please. The hon. member is really arguing a point of debate.

Mr. McBride: I am telling the truth.

Mr. Cadieu: Mr. Speaker, I have so much material in front of me that if I were to refer to it all tonight no one else would get a chance to speak. For instance, the British Columbia Beef Cattle Growers' Association has said:

> As cattlemen, our members are greatly concerned and upset with the proposed federal compulsory marketing legislation—presented to the House of Commons as Bill C-176.

In every part of western Canada beef producers are opposed to this bill.

An hon. Member: But the United Church is not!

Mr. Cadieu: If you want to pass marketing legislation that will exempt beef cattle and calves and will give producers adequate representation on boards, then I say that if the people concerned see any future in the legislation I am sure they will come half way to meet you. But why try to shove it down their throats? They do not want it and they are not going to accept it. We will stay here and fight this legislation.

Some hon. Members: Hear, hear!

Mr. Cadieu: We are going to stay right here.

Some hon. Members: Hear, hear!

Mr. Horner: You bet we are.

Mr. Cadieu: And God help you if you people bring in closure to pass this bill. That will be the day, I can tell you.

Mr. Horner: Right on.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. The hon. member for Meadow Lake should address his remarks to the Chair.

Mr. Nowlan: He was being provoked. The government is employing an agent provocateur.

Mr. Cadieu: Mr. Speaker, when you were kind enough to give me the floor I only wanted to speak to you.

Some hon. Members: Hear, hear!

Mr. Cadieu: I was a bit intrigued by the hon. member's remarks this afternoon and I want to leave him with something he can take back to his constituency so that he can tell the truth about what is going on. No matter to which part of the country I turn, I hear protests against this bill. I have never received any encouragement to support it. We have groups that favour a marketing program such as is involved with our wheat pools but, by hell, the producers do not want this bill.

Some hon. Members: Hear, hear!

Mr. Cadieu: We hear talk of producer control and a plebiscite. Under a democracy, people should have the right to say whether they will accept the bill or not. We have no grievance against Quebec. We would like them to buy our beef. We want to ship them lots of it and we will give them good beef, too. But we do not want them to tell us that we are going to have a marketing board whether we like it or not.

[Mr. Deputy Speaker.]

Some hon. Members: Hear, hear!

Mr. Cadieu: Mr. Speaker, I could go on in this vein at great length. However, since there are many others who want to speak I will say no more. I hope the minister will pay attention to us and heed our suggestions, and that he will come into this House with an appropriate amendment so that we can all get out of here.

Mr. Roy (Laval): Mr. Speaker, would the hon. member permit a question? Is the hon. member in favour of the orderly marketing of wheat as through the Canadian Wheat Board?

Mr. Cadieu: Yes, I am very much in favour of it.

Mr. Roy (Laval): Then are we not doing the same thing in this bill?

Mr. Deputy Speaker: Order, please. The hon. member for Laval (Mr. Roy) may ask a question but he should not engage in debate. If there is a further question, perhaps the hon. member for Meadow Lake will receive it.

Mr. Cadieu: Mr. Speaker, we have the Wheat Board because we want it. We worked for it and we got it. That is why it is there. But we do not want a large marketing board for cattle, and we are protesting against it.

Mr. Deputy Speaker: The hon. member for Richelieu (Mr. Côté).

An hon. Member: Mr. Speaker—

Mr. Deputy Speaker: Order, please. The Chair recognizes the hon. member for Richelieu.

[*Translation*]

Mr. La Salle: Mr. Speaker, I rise on a point of order. point of order.

The Acting Speaker (Mr. Honey): Order. The hon. member for Richelieu has the floor.

Mr. Florian Côté (Richelieu): Mr. Speaker, I am not rising on a point of order but simply to express my opinion on this bill which seems to me to be very poorly understood by hon. members opposite. For the last two years I have been wanting to express my opinion in this House on one of the most important pieces of legislation which many seem to consider to be a matter of feelings rather than serious legislation.

Since I seldom rise in this House because I have always considered the Commons as a place where we would try and pass legislation to fulfil our mandates as efficiently as possible, I was very disappointed to hear speeches which seemed to me to have separatist overtones.

• (9:30 p.m.)

There is an aspect of this legislation which does not seem to be understood. A few years ago, the Canadian farmer—I did not say from Quebec or Western Canada or the Maritime Provinces—was asked to try and provide consumers with products at the best possible prices, so that consumers—wherever commodities might be pro-

duced or consumed—may pay a normal price. I believe the farmer responded very efficiently with such a production increase that for two years now this government, knowing that the real problem was not a production but a marketing problem, introduced the famous bill C-196.

It may be said that I am not dealing directly with the motion presented by the hon. member for Crowfoot (Mr. Horner) whom I would have preferred to see in his seat, for that same amendment was discussed on many occasions during the debate on second reading as well as in the standing committee on agriculture. As I was saying, farmers do recognize marketing as being probably the most effective tool that can be had. When some hon. members suggested this afternoon that we were going to destroy family farming they were merely playing on words for the benefit of the House. I do not think that the hon. member for Timiskaming (Mr. Peters) was serious, any more than other hon. members who made suggestions which to me seemed highly illogical. He may have used the wrong expression, for the one means through which family farms can be established or preserved is precisely this marketing board, which will prevent large producers in Eastern as well as Western Canada from preserving a monopoly. The farmers concerned are not producers tied-up with a co-operative, as someone said this afternoon, but producers who live from their farms and who were clever enough to settle close to a big co-operative—and mention was made of the Granby co-operative.

Those same producers should be allowed to take advantage of bill C-176 so that they themselves—not the government, as the hon. member who spoke before me was saying—would establish marketing agencies. It is the farmers themselves who are asking for them and who are voting for this bill designed to establish marketing boards in their province.

There is no point in exaggerating the way it was done during the 38 committee meetings. There was talk of separatism, of Quebec and the West. I do not think this will lead anywhere.

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, may I ask the hon. member a question?

[*English*]

Mr. Deputy Speaker: Order, please. The hon. member is rising on a point of order.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, would the honourable member permit a question?

Mr. Côté (Richelieu): Yes, but only when I am through, if I may, as I have had so much to say for so long that I would like to complete my remarks first.

Mr. Beaudoin: Agreed.

Mr. Côté (Richelieu): Mr. Speaker, it will be my pleasure when my time is expired to reply to the honourable member for Richmond, and probably enlighten him.

This afternoon, I noted the concern of the member for Lanark-Renfrew-Carleton (Mr. McBride) who stated that last March, we wasted time discussing with Quebec and Ontario, and you see that I do not mention western Canada. I also believe that the member for Saint-Hyacinthe (Mr. Ricard) and the member for Charlevoix (Mr. Asselin) will do their utmost to convince their colleagues to participate in the discussion. And yet thousands of dollars have been wasted because we had no national marketing agency while the farm production in certain regions was out of all proportion with the consumption of neighbouring cities. We, of the federal government, could admit to ourselves that we are to blame, but I have the privilege of stating that we cannot do that. The opposition could say it because this bill would have been passed two years or at least one and a half years ago had we not been prevented from so doing.

It is now thought that this bill would benefit the production of eggs, broilers and poultry meat. How is it possible that a bill can be said to be beneficial in regard to a farm product produced in one region of the country and not to another produced in another region?

The hon. member who spoke before me wished that a more equitable bill could have been introduced.

This bill, which is national in scope, is actually fairer. It is not an eastern or a western bill because it affects the whole range of farm products and I would not like my hon. colleagues, be they of the opposition or otherwise, to try to exclude a particular product alleging that the farmer does not want it. It is not true.

People from eastern and western Canada have asked us why he have delayed passage of the bill. Representatives of the Canadian Federation of Agriculture—which is a national agency—came to us last year, requesting that this bill be passed as quickly as possible. This Federation which groups all agricultural organizations did not request that the bill exclude beef and veal and include only broilers and eggs. It asked that all farm products be included. There are presently two acts and two programs governing these two specific products.

The Canadian Dairy Commission aims at distributing milk at the same price everywhere in the country.

The previous speaker would like Bill C-176 to be similar to the legislation governing the Canadian Wheat Board. Mr. Speaker, I shall reply in the negative. I do not want it. I should even ask this government to withdraw this bill since I do not wish it to have a limited range. I want that bill to apply all across Canada because I am a Canadian.

As a farmer, I am ready to abide by some quotas as concerns some products as eggs and broilers. Therefore, it would be false to say that this bill is to be effective in eastern Canada and not in other parts of Canada. If beef, veal, or pork production is no longer profitable, quotas shall be established not by the government but by the producers, as they recognize that overproduction results in lower prices. If we want a normal price to be maintained, we should be able to abide by some quotas at the consumption level. If we accept to abide by some quotas as concerns eggs and broilers, we should be ready to abide by some quotas also as concerns other commodities. To act otherwise would be very harmful; a second balkanization would occur if this government accepted to have only part of the products under quotas. Then, I would resign, I would oppose the government, whatever its political denomination, because I want the passage of a national legislation.

Last year, Mr. Speaker, I learned just to what extent this bill could be beneficial, because the hon. member for Crowfoot (Mr. Horner) and the hon. member for Mackenzie (Mr. Korchinski) recognized its efficiency during informal conversations in between the meetings of the committee on agriculture. They said that this bill seemed to "smell good" for the farmer. Strangely enough, we do not feel that it will smell good simply for election purposes; we know that this bill will be good for a sector of the Canadian economy. In fact, agriculture represents 35 per cent of the Canadian economy.

• (9:40 p.m.)

We were told that this bill should not be passed, that it would be too advantageous from an electoral point of view. Now, if it were as bad as it was depicted a while ago, I feel a good number of members of the opposition would want it passed, as it would be an excellent means of leading eventually to the downfall of the government. I am convinced that is how things would happen if this bill were really that bad.

But as they know the farmers want this legislation, because it will be truly efficient, they will not let it be passed. And how do they go about it? This afternoon, the hon. member for Crowfoot (Mr. Horner) probably remembered what he did last summer, and that disappointed me. Last summer, the principle of democracy—that the majority decides, and that at times the minority has to accept the decision of the majority—was not recognized. So, at the time when we were sitting in committee to discuss section 2—a section that they would change through an amendment concerning natural products—after a tremendous amount of verbiage, nothing remained to be said. Opposition members saw that they could no longer face the majority of the Committee on Agriculture which stuck to its guns. So, two members, the hon. member for Crowfoot and the hon. member for Mackenzie must remember the two members of the committee on agriculture who retired to the rear of the room and said: You no longer have quorum, and this simply in order to prevent the committee from sitting.

That was deplorable, because members of farm associations had come to Ottawa. There were some from the West, from Quebec and Ontario, and they treated us as children. We were even told: Back home, if we acted like that, we would be taken for ridiculous characters. We were even told that democracy was next to anarchy. What happened in the committee last year seems to be starting all over again here.

I do not want to hold the House too long, so I ask all hon. members to make sure that agriculture will be in a better position tomorrow. Let us not forget that thousands of dollars were lost each week, last fall, in egg production. The same thing might happen with regard to pork or beef. We do not know the future. Production might exceed consumption and then, prices would drop. But some hon. members might not be here after the next election because I imagine they will be defeated if they vote against the legislation. They might have to admit that at the end of 1971, they had the opportunity to solve the real problem, that is the marketing of farm products.

I have been told, before taking part in this debate, that perhaps Bill C-176 would be misunderstood in eastern

Canada. This may amuse those who are not from the East, while helping them to understand better the problems of eastern Canada. It has been suggested to me that there might be someone inside the slaughter-houses to take over the overproduction or do something so that this bill will not cure all ills.

I don't believe that by passing this bill we will solve all problems relating to agriculture, but we will at least put in the hands of the producers, who want to control themselves, the marketing of their products, and not have it done by the state, marketing agencies of their own. Afterwards, if conditions are worse, we could perhaps exchange views with producers, but up to now, as politicians, if we can so call ourselves, and as farmers, it is the first such legislation introduced in the House since I have been a member that I urge hon. members to pass.

The Acting Speaker (Mr. Honey): Order. The hon. member for Richmond wishes to ask a question.

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, the hon. member for Richelieu has just said that all Canadian producers are demanding that Bill C-176 be passed. I would like to ask him if he knows that recently, a majority of hog producers voted against the establishment of any program dealing with hog production.

Mr. Côté (Richelieu): Mr. Speaker, the hog producers did not vote against the establishment of a hog producers' association. The production per unit was perhaps heavier among large producers who at times try to exercise control and this is what we want to prevent!

Mr. Beaudoin: Thank you, Mr. Speaker.

I would like to ask my hon. colleague and friend from Richelieu if he knows that those who voted—be they important or not,—were hog producers and that, by a majority vote, they made known that they were against the establishment of a joint program for hog production.

An hon. Member: That is not true.

Mr. Côté (Richelieu): Agreed. I well understand the question and my hon. friend from Richmond, who is from an area where this legislation is eagerly awaited, is right in asking it.

There have been serious problems there. If this bill had been given effect, the egg and poultry producers' association would not have known such difficulties. The beef, egg and poultry producers have formed an association, but as there was no legislation that applied nationally, they have fought amongst themselves, they have dumped their products in one another's region and have had some very difficult problems. They have had money losses because of this lack of national legislation.

When hog producers voted, they were influenced by the fact that broiler production was uneconomical for lack of federal legislation. Hog producers felt that there would be practically no results so long as Bill C-176 had not been passed. So they got confused because of the egg experience and of the opportunity for setting up a hog producers' association, however in the absence of federal legislation they could not be efficient. They did not feel the need for it. That is why we must pass this federal legislation as early as possible. Subsequently, the provincial marketing

agencies will integrate and as they have to resort to the federal legislation the marketing problem in Canada will fade away.

[*English*]

Mr. Deputy Speaker: It would appear we are now entering into a debate between the hon. member for Richmond (Mr. Beaudoin) and the hon. member for Richelieu (Mr. Côté). I might say that the time allotted to the hon. member for Richelieu has now expired.

Mr. Downey: On a question of privilege, Mr. Speaker, I realize the time of the hon. member for Richelieu (Mr. Côté) has expired, but there is one question we should clear up, in light of the discussion we have heard between the two hon. members on the subject of the family farm. If I might pose a further question to the hon. member for Richelieu—

Some hon. Members: Order.

Mr. Stanbury: What kind of question of privilege is that?

Mr. Deputy Speaker: As I have indicated, the time of the hon. member for Richelieu has expired. The Chair is, of course, in the hands of hon. members and if they wish to extend the time available to the hon. member they can do so. Is that agreeable?

Some hon. Members: Agreed.

Mr. Downey: I note that according to the figures, about 80 per cent of the broiler industry in Quebec is controlled by four outfits—three feed companies and an organization headed by a man called Benoît Beauregard. Was the hon. member referring to the family farms which control 80 per cent of industry in Quebec, namely, the four I have mentioned? I should also like to ask the hon. member this question: Is he, or is he not, a tool of the integrators?

Mr. Deputy Speaker: Order. The Chair asked hon. members if they wished to extend the time of the hon. member for Richelieu so that he might accept a question from the hon. member for Battle River (Mr. Downey). With respect, the hon. member for Battle River should have asked a question rather than entered into debate with the hon. member. The hon. member for Richelieu might wish to answer the first question, but with respect to the second part it seemed to the Chair that it was not a proper question.

[*Translation*]

Mr. Côté (Richelieu): Mr. Speaker, I believe that I must abide by your decision that the second question should not be answered. However, I wish I could have answered it.

As for the first question about the family farm, it was not raised by myself but by the hon. member for Timiskaming (Mr. Peters). Besides, I had explained myself the gradual elimination of small producers, and a phenomenon which is of concern to him. In fact, on Quebec farms, there remain very few broiler producers. The lack of a national legislation accounts for the breaking up of the family farm and the taking over of big producers. The family farm producers were unable to put up with the ups and downs of production.

The small producers who were unable to support production costs were automatically absorbed by the big producers. The purpose of the bill now under study is to prevent such things in the future.

• (9:50 p.m.)

[*English*]

Mr. Deputy Speaker: Order, please. It does seem to the Chair, with respect, that we are entering into debate and I think it would be unfair to the hon. member for Skeena (Mr. Howard) if the Chair did not recognize him.

Mr. Frank Howard (Skeena): Mr. Speaker, I really thought this was the place for debate, but it may be that the hon. member for Battle River (Mr. Downey) will have an opportunity to enter into it later and explore the situation which apparently took place in Quebec and which I thought the Liberal government under Jean Lesage would have straightened out as they straightened out so many other things in that province.

In any event, Mr. Speaker, it is not my purpose to engage in or try to promote any acrimonious conversation or debate. We are too soon after Christmas for that. There is also the fact that, as we all know, it is almost a standardized way of proceeding in this House for the government to prepare and develop legislation and ideas, present them to the House on a take-it-or-leave-it basis and then sit back and wait for the criticism of the opposition and for changes to be put forward. Almost invariably, the proposals for change are not dealt with on their merits but, rather, on the basis of their source.

Regretfully, we find that governments over the years, this one probably more than any other, tend to automatically reject suggestions from the opposition regardless of merit; tends to reject them out of hand because they come from the wrong source. That, of course, does not lead to a very sensible type of legislation.

I would think, Mr. Speaker, that with the type of legislation before us that deals with a group of people in the farming industry, in the agricultural section of our economy—a group of people who probably beyond anybody else in society have not got any large degree of authority over their own income, their methods of operation, their own economic well-being—this is the one time when Parliament should settle down and try to examine what we are doing in a sensible, reasonable and logical way.

Some hon. Members: Hear, hear!

Mr. Howard (Skeena): That was the hope this afternoon and I am sure it was the hope of members of the Liberal party who spoke earlier. One parliamentary secretary—I cannot recall his constituency—approached it in a rational and sensible way, to examine from a very careful point of view what this Parliament of Canada could do that would be best for the farmers of this nation. Regretfully, the speech we heard a moment ago did not have that tone at all but was designed to antagonize, to be acrimonious and not to seek a logical conclusion to anything, but just to be offensive.

Some hon. Members: Hear, hear!

Mr. Howard (Skeena): This was also the case with the question of my friend from Battle River; it fell within the same category.

An hon. Member: Terrible!

Mr. Horner: Beware lest you fall into the same category.

Mr. Howard (Skeena): Mr. Speaker, I do not come from a farming background and I do not know a great deal about it from the point of view of people who have to farm for a living.

Mr. Forrestall: Where is your colleague? Where is the hon. member for Saskatoon-Biggar (Mr. Gleave)?

Mr. Howard (Skeena): However, I know a fair amount about the fishing industry and the legislation of the Parliament of Canada in respect to the position of people engaged in it. There is a distinct parallel between farming activity and fishing activity, and from that standpoint I should like to say a few words.

I am sure there is not a farmer in this House who would not agree that the farmer is the one person in this economy who has not very large control over his income. He is trapped on both sides. Somebody else decides what he will pay for machinery, for services, for facilities, for equipment, for fuel and all the other commodities he needs to carry on. He has no authority and no control in that. The decision is made in the farm implement industry, the oil industry, the chemical industry. Whatever the farmer has to buy, someone else dictates what he shall pay for it.

He is in the same position when it comes to selling the commodities he produces. He has no control and no authority over what price he shall receive for them. Early this afternoon we talked about the position of the Kraft company with respect to the cheese industry. This company determines what it will pay to the dairy industry for its product which it turns into a junky kind of cheese.

An hon. Member: No.

Mr. Howard (Skeena): My friend says no, but I consider that Kraft makes a junky type of cheese. Taking Kraft just as one company, the farmer does not negotiate a price with it but takes what is offered. It has been indicated that if Kraft does not like a certain number of producers in an area, it buys them out. My friend can shake his head till it drops off, but I am telling the facts. Using that as an example, the farmer generally does not have any degree of authority in setting the price for which he sells his products. He is caught in a cost-price squeeze, and that is what we should be dealing with.

Mr. Horner: Ten o'clock, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[Mr. Howard (Skeena).]

PUBLIC SERVICE—DISPLAYING OF POLITICAL POSTERS BY EMPLOYEES AT HOME OR ON PERSONAL PROPERTY

Mr. John Burton (Regina East): Mr. Speaker, on November 26, I asked the government the following question:

Is the government contemplating any changes to the Public Service Employment Act which would make clear that a public servant is not contravening the act when he displays a political poster at his own home or on his own personal property?

The President of the Treasury Board (Mr. Drury) answered:

Mr. Speaker, this is obviously a question which cannot be answered in one word. I would be glad if the hon. gentleman would give me some of the circumstances.

The question I asked on that date arose out of a question which I had placed on the order paper on October 27, 1971, which read as follows:

Are public servants prohibited from displaying or allowing to be displayed a political poster on their personal property and, if so, under what authority?

The answer given by the Secretary of State (Mr. Pelletier) was as follows:

I am informed by the Public Service Commission as follows:

Section 32 of the Public Service Employment Act provides that: Public servants may attend political meetings and may contribute money for the funds of a candidate for election or money for the funds of a political party. In addition, an employee may seek nomination as a candidate and be a candidate for election in a federal, provincial or territorial election, provided he is granted leave of absence without pay by the Public Service Commission for such purpose.

This section of the act, however, prohibits employees from engaging in any other type of work for, on behalf of or against a candidate for election of a political party.

• (10:00 p.m.)

This answer, I suggest, clearly indicates that it is against the Public Service Employment Act for a public servant in the employ of the Government of Canada to allow a political poster to be displayed at his home. My question on the order paper was placed there in the first place because of some incidents reported during provincial election campaigns this past summer. For instance, I have before me a Post Office circular to its employees which I was given in the city of Edmonton during the Alberta provincial election campaign. Points one and two set out prohibited political activity and permissible political activity. They are directly in line with the answer I was given to the question to which I referred a minute ago. It seems to me there is need for clarification regarding posters because some postal supervisors and others told employees to take down lawn posters from their homes because it was in contravention of the act.

I suggest the answer given to the question I asked maintains that civil servants cannot even say through political posters in or on their own property that they are for Joe Blow or whoever it may be. It might be argued that the erection of a poster is working for or against a candidate. If that is the case, a civil servant is contravening the act if he reveals to anyone who he is going to vote for. This is the logical conclusion which must be drawn if we say revelation of support through one way or another is working for or against a candidate.

This is an infringement of fundamental rights and liberties in Canada. In dealing with the problem I think we

have to look at the Public Service Employment Act. I do not have time to quote the relevant subsections 1, 2, 3 in clause 32 which are essentially as I have already referred to them. It seems to me, though, that it would be a very simple matter to extend the provisions of subsection 2 to provide that the display of a poster at one's home, whether inside or outside or on a lawn, is not in contravention of subsection 1 which states that no deputy head and, except as authorized under this section, no employee, shall engage in work for, and so on.

I think it should also be drawn to the attention of the government that there have been cases concerning the display of posters before the courts of Canada. I would in particular draw attention to the case of one Moses McKay and the township of Etobicoke, in the city of Toronto, concerning an incident in the 1962 federal election. This case eventually reached the Supreme Court, who found in its decision that the township was not allowed, under the provisions of the constitution and constitutional law, to prohibit a person from displaying a federal election poster. There is also one very significant quotation in the judgment handed down at that time. I quote from the decision:

If by-law 11737—

The relevant by-law.

—is construed as it has been by the learned justice of the peace and by the Court of Appeal, it does not merely affect, it destroys the right of the appellants to engage in a form of political activity in the federal field which has heretofore been possessed and exercised by electors without question.

I agree there are some differences in circumstances, but nevertheless I think the concern of the justices of the Supreme Court on this matter should be noted in this regard. I should also point out there is already a distinction set out in subsection 3 of the act between the situation of a deputy head of a department and other employees of a department. Both categories can attend a political meeting. They can contribute funds to a candidate of a political party. All employees except the deputy head can apply for leave of absence, which may or may not be granted, at the judgment of the government. The experience to date has been that people in the executive category and personnel administrators have not been granted this leave. I submit that the Public Service Employment Act should be amended to make clear that the display of a poster at an employee's home is not in contravention of the act.

[*Translation*]

Mr. Gaston Clermont (Parliamentary Secretary to the President of the Treasury Board): Mr. President, I am told that the act is now under study, and if amendments or explanations are to be brought in the area referred to by the hon. member for Regina East, the minister responsible will announce them in due course. The people involved in this study will no doubt take into account the hon. member's comments.

[*English*]

INDUSTRY—PULP AND PAPER—PROBLEMS DISCUSSED AT CONFERENCE AND TYPE OF AID OFFERED

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, in spite of my repeated questions in the House over the past four months, for some reason or other I have failed to get any meaningful answers and any recognition of the continuing crisis which exists in Canada's pulp and paper industry. My particular concern revolves around the close-down of a highly productive paper machine in the Bowater organization in Corner Brook, Newfoundland, which resulted in the lay-off of 350 skilled workers and which will affect an additional work force in the woods operations, therefore affecting in total some 1,200 employees.

Mr. Bell: Don't forget Bathurst, New Brunswick.

Mr. Marshall: My hon. friend reminds me of a similar situation at Bathurst, New Brunswick. The Bowater mill is the main industry in a city of some 2,800 citizens, and one does not have to be too intelligent to realize the effect of such a close-down on the economy of the city, the surrounding areas and indeed the whole province of Newfoundland.

Apart from this confined crisis in Newfoundland it is obvious to all that one of the foremost industries in our nation is now in a state of crisis. Almost daily we experience examples of shut-downs in paper mills in almost every province, yet the problem seems to be treated with complacency by the government. There is ample evidence of the seriousness of the situation in the figures disclosed by the Pulp and Paper Association. Let me record some statistics as published in recent issues of newspapers. A decrease in the demand for newsprint outside of North America was experienced for the first time since the Second World War. There was a decrease in the demand in North America for the second consecutive year, producing a world decline in demand in North America, western Europe and other areas. At the same time, capacity is increasing in Canada, in the U.S.A., in western Europe, in the Far East and in other areas, with evidence of a decline in Canadian shipments to overseas markets.

The larger decrease in total Canadian shipments compared with the decrease in world demand is explained by an increase in domestic shipments by U.S. and overseas producers. Canadian newsprint mills operated at 82 per cent of productive capacity compared with 88 per cent just last year. The Canadian increase in capacity was primarily in eastern mills, with a 205,000-ton increase in the Atlantic region and a 162,000-ton increase in Quebec, and this is the area of Canada where unemployment is highest. Yet at the time when these factors are so obvious, the Department of Regional Economic Expansion continues to give regional development incentive grants to establish mills in regions of Canada to create employment opportunities but destroys employment opportunities in eastern regions where unemployment is most severe. At the same time, the government is granting loans to overseas countries to establish mills, thereby destroying needed markets.

The Minister of Industry, Trade and Commerce (Mr. Pepin) keeps sending trade missions all over the world to explore export markets, yet no mention is ever made of the need to explore markets for paper, which is so vital to the Canadian economy. Many hundreds of highly technical employees of the pulp and paper industry are being placed out of work and yet the government treats with apathy the waste of our experienced work force, ignoring

meaningful consultation by labour and manpower departments to assist these members of the work force.

• (10:10 p.m.)

To me, Mr. Speaker, it is a source of frustration and aggravation that one of the three top industries in Canada is seemingly relegated to meaningless concern. It is very difficult for me to understand and reconcile in my mind why those who should be concerned treat the crisis with such seeming apathy. I hope that the parliamentary secretary, whom I know to be a conscientious and responsible member, can give me some answers to clear my frustration and that of thousands of concerned Canadians who are suffering because of the pulp and paper industry crisis.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I am very pleased to provide some answers to the question raised by the hon. member with respect to this difficult matter which has been part of the Canadian pulp and paper industry for many generations. The Canadian pulp and paper industry has always had a problem of trying to reconcile supply and demand in some kind of rational way. The history of the industry has been one of attempts at prorating supply in order to satisfy market demands appropriate to the industry. This has often been difficult.

It is difficult at the present time because of slack markets around the world, particularly in the United States, where the slow growth in the economy has produced a downturn in consumption during the last few months. Industry officials do feel, however, that the bottom of the market has been reached and that there is an upturn taking place at the present time. Nevertheless, there are serious, long-term problems within the industry.

A meeting did take place in Ottawa on December 6 last. It was attended by ten cabinet ministers, which is an indication of the seriousness with which the government considers the problem within the industry. Some of the topics looked at included taxation policy, in response to a request from the industry to compare Canadian taxation with the taxation imposed on other companies around the world, transportation cost problems, pollution abatement cost problems and the effect of regional development incentive programs. Other matters discussed were competition policy and the social obligations that the companies have in front of them in trying to make changes in their industry, modernize it and bring it up to date and at the same time take into consideration the needs of the employees.

As a result, the government agreed to examine many of these problems in conjunction with the industry. It agreed to do a study on taxation as it affects the industry in relation to its competitiveness around the world. The government agreed to study with the industry transportation costs and to undertake a long-range study of a strategy for the development of Canada's pulp and paper industry in relation to the problems it has and the markets it has available to it. I assure the hon. member that the government is considering most seriously the problems that exist in the industry at the present time.

The hon. member made mention of the overseas programs that the Department of Industry, Trade and Commerce has with respect to the promotion of markets for industries. I can assure him that the pulp and paper industry is one of those industries.

[Mr. Marshall.]

The Acting Speaker (Mr. Boulanger): Order. The hon. member for Moose Jaw (Mr. Skoberg).

GRAIN—REQUEST FOR TABLING OF REPORT ON RATIONALIZATION OF HANDLING AND TRANSPORTATION

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on November 29 I asked the Minister of Agriculture (Mr. Olson) when the report on the rationalization of grain handling and transportation would be made available to Members of Parliament and he took the question as notice. On December 9 I asked the minister in charge of the Canadian Wheat Board (Mr. Lang) when this report would be tabled in the House, and I appreciate the fact that the minister is in the House tonight.

Somehow or other the real Mr. Farmer, the practical Mr. Farmer, is supposed to know something. He is supposed to listen only to the educated, to the law professors, to the degreed people. It used to be said by some law professors that all that one required to be a farmer was a strong back and a weak mind, but nowadays to be a successful farmer a fellow needs to have a good head and a sound education to understand the advice handed out to him on all sides by city men and select that which will do him the least damage.

A tremendous responsibility, therefore, rests upon those who have had the privilege of higher education. They must advise on issues where the implications may not be clear. They must guide the people through the complexities of modern technology and explain those complexities. That is partly why I asked the minister my question. I hope he will answer it tonight.

If one looks at the headlines which have appeared across the country this year one will realize why this question concerns the people of Canada and why some of these complexities they are facing are important. One headline reads, "Easier road to retirement." That refers to agriculture. Another reads, "Government may soon control farm output—Olson." That appeared in the Ottawa *Citizen*. Another headline reads, "Big selling job ahead." The heading over another article reads, "Encourage adjustment of farm units to more efficient sizes." Another article says in part, "The program is aimed at the small farmer who wants to stay in farming, but lacks sufficient acreage to develop a profitable business."

One of the Manitoba pool elevators has said that there is a lack of information regarding the implications of the proposed plan of stabilization. The headline in the Moose Jaw *Times-Herald*, October 25, says, "Lang wants to bring farm act back into House of Commons." Another headline says, "Either way the farmers lose." Still another headline says, "West becoming disillusioned with Liberals, Conservatives." Another headline says, "Sweeping revisions to agricultural policy sought in Ottawa by provincial ministers." Still another headline says, "New management skills suggested for farms."

I come now to something the Prime Minister (Mr. Trudeau) said. He said, as reported:

Perhaps, to be quite candid with you, when you talk of growing disenchantment I must begin by saying that some of my reading of the west is that it is always disenchanted.

We all agree, I think, that in view of the complexities of the agricultural economy today, explanations should be forthcoming. We should discuss thoroughly with the people concerned the matter I have raised tonight. I ask, why would the west not be disenchanted with the government, when it is realized that the plan we are talking about, the one concerning the rationalization and handling of grain transportation, has been in the hands of the railway companies for over two months? It has been in the hands of the various grain handling companies. They have had the opportunity to look at the plan confidentially. I emphasize that. It has been in the hands of those people but has not been made available to Members of Parliament. If Members of Parliament are to be credible and discharge credibly their duty of considering legislation in this House, this plan should be made available to them so they can discuss it with the people who will be directly affected.

The two main steps that are being taken in the agricultural field are branch line rationalization and the step to do with the rationalization of grain handling and transportation. Surely we want to be honest with the people who will be adversely, or possibly beneficially affected by this plan. Surely the government could make this plan available to members of the House. If, perchance, we can get out of this House within the next week or so, each and every one of us representing an agricultural community will be able to go to his constituency, call meetings and explain the plan. We can explain the workings of the plan to the producers who will be affected by it. They will have an opportunity to advise us about it, to discuss it and argue the benefits or otherwise of the plan. I therefore plead with the minister tonight to make this plan available to every Member of Parliament.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I regret to say that the remarks of the hon. member for Moose Jaw (Mr. Skoberg) are so smart, and the distortions introduced are so irresponsible that they do not augur well for the role that some hon. members would play in connection with any information being put forward for the good of agriculture.

Mr. Skoberg: Oh, boy! That is a good start.

Mr. Lang: About two years ago we began working on making the existing transportation system work better. We studied the total system so that the facts would be available on the cost of a better system and on the cost of alternatives. We succeeded in making the existing system work better, to the extent that our very great selling efforts which are reaching record proportions each year, and which will set new records this year, are reaching levels which some experts a few months ago felt were impossible to achieve with existing capacity. We think that this is a result of hard work and planning and stems from our interest in looking after the interests of agriculture.

We said all along in our handling and transportation studies that we would try to find the facts, present the facts and leave it to the producers to decide in this matter. We wanted to try to make sure that the producer would be chief beneficiary of any improvements which might be made. In this work we had the tremendous co-operation of the elevator companies, those great co-ops of the Prairies, the other elevator companies and the railways in putting together the facts and figures with which we wanted to work.

We then put the studies as they progressed into the hands of these people to give us back criticisms as part of the further work. We have now put them into the hands of the interested western provinces with the same idea, that we should have meetings, discussions and whatever studies are required so that we will have a more complete picture to present when we have anything to present at all.

• (10:20 p.m.)

We can be sure of one thing. The moment the studies are available to the hon. member who makes these slang remarks, he will either be saying they are incomplete, too complete or three times too complete. My objective has been to simply present the facts and avoid this very kind of conflict. That is why we try to work with the companies and the provinces, to present a balanced picture not only of economic involvement but of all the social problems involved in any changes which might be made. Our object is to avoid conflict and petty politics and to work quietly together for the good of the farmer.

Motion agreed to and the House adjourned at 10:25 p.m.

HOUSE OF COMMONS

Wednesday, December 29, 1971

The House met at 2 p.m.

CANADA DEVELOPMENT CORPORATION

CONFLICT OF INTEREST OF DIRECTORS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave to present a motion under the terms of Standing Order 43. It is one based on what I believe to be an urgent and pressing necessity. I do not expect that the House will support unanimously the substance of my motion but I hope hon. members will agree it is one which ought to be considered.

The *Financial Post* Directory of Directors for 1971 indicates that 19 of 23 directors of the Canada Development Corporation hold the office of president, vice-president or chairman of the board of 39 corporations and also hold among them 93 corporation directorships. In view of the obvious conflict of interest which may arise from this situation, I move, seconded by the hon. member for Timiskaming (Mr. Peters):

That this House is of the opinion that the government should consider the introduction of a bill to amend the Canada Development Corporation Act to provide that the directors of the said corporation shall divest themselves of any and all corporation directorships so that they will not be involved in any conflict of interest, and that in the meantime the government should request the said directors to divest themselves of any directorships they now hold.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Winnipeg North Centre. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

• (2:10 p.m.)

MANPOWER

CRITICISM OF TECHNIQUE OF EVALUATING EFFECTIVENESS OF TRAINING PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wish to ask unanimous consent of the House to move a motion under Standing Order 43. On December 7, and again yesterday, the Minister of Manpower and Immigration stated in the House that the Economic Council of Canada did not disagree with his department's evaluation technique of the Canada Manpower Training Program. Between pages 104 and 133 of its Eighth Annual Review, the Economic Council points out at least four essential deficiencies in the program and found the evaluation technique to be defective in a further four critical areas. Therefore, I move, seconded by the hon. member for Moose Jaw (Mr. Skoberg):

That this House refer the question of performance and evaluation of the Manpower Training Program to the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion will not be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

PROHIBITION OF ENTRY OF BOOKS INTO CANADA

Question No. 1,764—**Mr. Orlikow:**

1. Were books, pamphlets, etc., prohibited from entering Canada last year under Item 99201-1, Schedule C of the Custom Tariff Act on the grounds that they are of a "treasonable or seditious nature" and, if so, how many?

2. Were books, pamphlets, etc., prohibited from entering Canada last year under Item 99201-1, Schedule C of the Custom Tariff Act on the grounds they they are of an "immoral or indecent character" and, if so, how many?

3. What officials of the Department of National Revenue or what experts outside of the Department make the decisions prohibiting the entry of the above-mentioned items?

4. What procedures have been established for appeals by individuals or organizations who feel that the decisions of the Department are unfair or improper?

Hon. Herb Gray (Minister of National Revenue): In so far as National Revenue, Customs and Excise is concerned: 1. 1970 — two importations.

2. 1970 — 4,461 importations.

3. Decisions can only be made by officials of Customs and Excise. These decisions are first made by senior executives, and they can be appealed to the Deputy Minister. The decision of the Deputy Minister can be appealed to the Courts.

4. Appeal procedures are set out in Sections 46 and 50 of the Customs Act RSC 1970.

COMPLAINTS UNDER THE FEMALE EMPLOYEES EQUAL PAY ACT

Question No. 1,908—**Mr. Fairweather:**

In respect of the Minister's answer to Question 1,265, at page 5520 of *Hansard*, May 5, 1971, about complaints by virtue of the

Questions

Female Employees Equal Pay Act (a) on what dates were each of the eighteen complaints made (b) what were the names of the employers against whom complaints were made (c) about how many employees did each complaint cover (d) in whose favour was each complaint resolved (e) have any complaints been filed since July 1, 1971 and, if so (i) how many (ii) against whom (iii) what has been the disposition of each case?

Hon. Bryce Mackasey (Minister of Labour): (a) (i) February 17, 1970, one complaint; (ii) April 8, 1970, five complaints; (iii) June 26, 1970, eight complaints; (iv) December 2, 1970, three complaints; (v) February 15, 1971, one complaint.

(b) This is privileged information.

(c) Each complaint involved one employee.

(d) (i) Not applicable, as the complaint was judged to be outside the purview of the Female Employees Equal Pay Act, and the complainant was so advised; (ii) In favour of the employer. In the opinion of the Department, the work was not identical or substantially identical within the meaning of the Female Employees Equal Pay Act; (iii) Same as answer to (d) (ii); (iv) In favour of the employer. The complaints did not meet the conditions specified in the Female Employees Equal Pay Act and no further action could be taken under this Act. The investigation was continued under the provisions of the Canada Labour Code, Part III: (v) The complaint was withdrawn.

(e) Yes. (i) One; (ii) This is privileged information; (iii) Still under investigation.

TASK FORCE REPORT ON YOUTH

Question No. 1,923—**Mr. MacDonald (Egmont):**

What was the total cost of the Task Force report on Youth and how much of this cost was spent in salaries for the Task Force members?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The total cost of the Committee on Youth Report as of September 30, 1971 was $509,767.07. All staff members were employed under contract. The total expenditure for "Professional Services" was $408,711.46.

[*English*]

FEDERAL GRANTS MADE TO THE YUKON BROTHERHOOD

Question No. 1,961—**Mr. Nielsen:**

1. Which departments of the government have made grants to the Yukon Native Brotherhood for the fiscal years 1968-69, 1969-70 and 1970-71?

2. What was the amount of such grant by each such department?

3. What was the purpose of each such grant and was each such grant utilized for the intended purpose?

4. With respect to each such grant, was an audited or any financial statement required by each or any such department from the Brotherhood?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): In so far as the Department of Indian Affairs and Northern Development is concerned: 1. 1968-69, No; 1969-70, Yes; 1970-71, Yes.

2. 1968-69, Nil; 1969-70, $2,562; 1970-71, $27,438.

3. To provide funds for the organizing, operation and support of the Yukon Native Brotherhood to provide a management and operational unit to conduct the affairs of the Brotherhood. Grants were used for the purpose intended.

4. No, as the grants were made on a non-accountable basis.

In so far as the Department of the Secretary of State is concerned: Citizenship Development: 1. and 2. 1968-69, Nil; 1969-70, Nil; 1970-71, $22,400.

3. (a) The purpose of the grant was to assist the Brotherhood in their effort to organize, develop and implement programs designed to aid the native population of the Yukon. The grant covered basic staff and office costs, meeting and travel expenses and professional services. (b) Yes.

4. An audited financial statement was required

FEDERAL SUPPORT TO THE NATIONAL CANCER INSTITUTE

Question No. 1,976—**Mr. Robinson:**

1. What has been the total support of the National Cancer Institute from federal sources since 1947?

2. What proportion does this total constitute of the total income of the Institute during that period?

3. What proportion of the total budget of the Institute for 1971-72 is contributed by the government?

Hon. John C. Munro (Minister of National Health and Welfare): 1. Under the various health programs, administered within the Health Insurance and Resources Branch, federal financial support to the National Cancer Institute amounted to more than $4,000,000 for the period 1948-49 to 1970-71.

2. The total income of the Institute for the total period 1948-49 to 1970-71 is not readily available to us.

3. Information on the total budget of the Institute for 1971-72 is not readily available to us. However, an amount of $250,000 is being made available to the Institute for the fiscal year 1971-72.

NATIONAL CANCER INSTITUTE OF CANADA

Question No. 1,978—**Mr. Robinson:**

1. Have amendments to the terms of reference of the National Health Grants and the Public Health Research Grants been made which reduce the eligibility of the National Cancer Institute of Canada to receive support from these sources?

2. Was there a marked reduction in the rate of growth of the Medical Research Council Budget in the past two years?

3. Is the Minister of National Health and Welfare prepared to assure continued growth of the Canadian Cancer Research Program by increasing the size of the annual award to the National Cancer Institute of Canada?

Hon. John C. Munro (Minister of National Health and Welfare): 1. No.

2. From March 1969 to March 1972, the Medical Research Council Budget has gone from $31,215,000 to $36,142,000 which is an increase of 15.8 per cent.

3. Researchers in the field of cancer are encouraged to submit specific proposals for research assistance within the terms of federal programs in this field—namely Medical Research Council, National Health Grant, and Public Health Research Grant.

RECOMMENDATIONS OF RECENT POLICY CONFERENCE OF UKRAINIAN CANADIANS

Question No. 2,000—**Mr. Dinsdale:**

1. Is the government considering the recommendations of the recent policy conference of Ukrainian Canadians that in order to accommodate the multi-cultural nature of the Canadian Confederation all languages spoken in Canada be recognized as Canadian languages?

2. Has a reply been made to the request and, if so, what was the nature of the reply?

3. Has the government also replied to the recommendation that Canadian embassies and immigration offices abroad improve information about the multi-lingual and multi-cultural nature of our society and, if so, what was the nature of the reply?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. The government is aware of the recommendation of the recent policy conference of Ukrainian Canadians. The new policy of multiculturalism recognizes that Canada is a multicultural country, operating within a bilingual framework. While there are two official languages in Canada, the government recognizes all languages as instruments of Canadian cultural expression.

2. No official request was received by the government asking it to consider the recommendation of the conference of Ukrainian Canadians.

3. Information kits on the new government policy of multiculturalism have been distributed through the Department of External Affairs, and Manpower & Immigration, to their offices overseas. The government is considering other measures to publicize its policy of multiculturalism.

[*English*]

ABORTIONS

Question No. 2,025—**Mr. Robinson:**

Will the government consider the advisability of including the opinion of other disciplines as well as a medical opinion when a request is made for an abortion?

Hon. John C. Munro (Minister of National Health and Welfare): In Section 237, subsection (6) f., the Criminal Law Amendment Act, 1968-69 with respect to abortion, there is no restriction regarding the inclusion of opinion of disciplines other than medical in the hospital therapeutic abortion committee.

CANADA PENSION PLAN CONTRIBUTIONS

Question No. 2,039—**Mr. Orlikow:**

1. What was the total amount collected for the Canada Pension Plan in 1969 and 1970?

2. What amount was paid out in the years 1969 and 1970?

3. What was the total amount collected for the Canada Pension Plan since its inception?

4. What amount has been loaned to each of the provinces during the total period?

5. What is the total amount credited to the Canada Pension Plan, including all loans as at December 31, 1970?

Hon. John C. Munro (Minister of National Health and Welfare): Since the Canada Pension Plan is a partially funded social insurance plan, contributions received together with interest earned, will exceed benefit payments during the early years of the plan. Full retirement benefits are being reached in stages over a ten year transition period. Survivors benefits did not become payable until the third year of the operation of the plan. Disability benefits did not become payable until the fifth year. Income received by the Fund will come into balance with benefits payments sometime in the 1980's after which the Fund will steadily decline.

1.

	Contributions	Interest on Investments
1969	$737,442,655.17	$124,332,645.57
1970	$773,108,006.61	$189,052,025.96

	Other	Total
1969	$3,755,782.17	$865,531,082.91
1970	$4,592,053.18	$966,752,085.75

2.

	Total Benefit Payment
1969	$38,167,132.09
1970	$77,781,817.53

3.

	Contributions	Interest on Investments
To Dec. 31/70	$3,503,129,825.71	$429,683,200.76
To Sept. 30/71	$4,066,489,929.46	$607,197,644.70

	Other	Total
To Dec. 31/70	$14,598,380.77	$3,947,411,407.24
To Sept. 30/71	$17,375,785.09	$4,691,063,359.25

4.

Province	To December 1970	To October 1971
Newfoundland	$ 66,838,000	$ 82,628,000
Prince Edward Island	13,142,000	16,407,000
Nova Scotia	135,708,000	167,700,000
New Brunswick	103,509,000	127,593,000
Quebec	11,585,000	17,359,000
Ontario	1,964,255,000	2,411,073,000
Manitoba	207,202,000	255,465,000
Saskatchewan	166,083,000	204,926,000
Alberta	324,061,000	401,970,000
British Columbia	510,026,000	627,636,000
Canada Government	19,573,000	25,373,000
Total	3,521,982,000	4,338,130,000

5. Closing balance December 31/70, 3,596,496,316.18

CMHC—MORTGAGE INSURANCE

Question No. 2,054—**Mr. Orlikow:**

1. What was the amount of mortgage insurance moneys paid to the Central Mortgage and Housing Corporation in the form of mortgage insurance in each of the years since the introduction of this scheme?

2. How is this money allocated, by way of reserve or purchase of insurance from outside private agencies?

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3. What was the amount of losses which required payment out of the insurance fund?

4. What reserve still exists?

5. Is the government giving consideration to reducing the present 2 per cent mortgage insurance fee?

Hon. Robert K. Andras (Minister of State for Urban Affairs): 1. Mortgage insurance fees paid to the Mortgage Insurance Fund established under Section 9 of the National Housing Act, have amounted to: 1954. $2,389,850; 1955, $9,237,250; 1956, $9,839,746; 1957, $7,278,911; 1958, $13,816,071; 1959, $13,146,403; 1960, $8,456,279; 1961, $10,970,952; 1962, $11,576,518; 1963, $9,868,797; 1964, $12,063,480; 1965, $13,500,496; 1966, $14,272,850; 1967, $16,491,251; 1968, $14,640,563; 1969, $14,994,782; 1970, $10,710,731; total $193,254,930.

2. This money is allocated by way of reserve.

3. The total amount of claims and legal expenses paid from the Mortgage Insurance Fund, to September 30, 1971, was $90,172,455.

4. The total of the reserves of the Mortgage Insurance Fund, at September 30, 1971, was $302,881,829.

5. The amendments to the National Housing Act, approved in June, 1969, included a provision for a reduction in the mortgage insurance fees charged under Section 5(6) of the Act. The mortgage insurance fees are now calculated as follows: (a) Loans for home-ownership require a fee of 1 per cent of the loan amount if progress advances are required during construction, and 7/8 per cent of the loan amount if the loan is advanced in total upon completion, (b) Loans made for rental housing require a fee of 1 1/4 per cent of the loan amount if progress advances are required during construction, and 1-1/8 per cent of the loan amount if the loan is advanced in total upon completion.

NHA LOANS FOR EXISTING HOUSING AND REHABILITATION OF HOUSING AREAS

Question No. 2,096—**Mr. Robinson:**

1. To what extent has Central Mortgage and Housing Corporation provided money for guaranteed loans on older homes?

2. Will Central Mortgage and Housing Corporation extend funds for the rehabilitation of housing areas in the Metropolitan Toronto area and elsewhere and, if so, to what extent?

Hon. Robert K. Andras (Minister of State for Urban Affairs): 1. See following table.

2. In 1970, Central Mortgage and Housing Corporation approved loans totalling $1.5 million under Section 58(40) of the National Housing Act for the purchase and rehabilitation of 200 housing units in the Don Mount and Don Vale area of the City of Toronto. The continuation of this program in 1971 includes loans under Section 15(16) to finance the purchase, repair and/or conversion of existing housing to provide 25 housing units, located in the area bounded by Sherbourne, Parliament, Carlton and Shuter Streets. A Federal contribution of $2.5 million was approved in September, 1971, under Section 24 of the National Housing Act, to assist in the implementation of a pilot rehabilitation project in the Strathcona area of Vancouver. The total cost of the program is estimated at $5 million, with the Province of British Columbia and the City of Vancouver each contributing $1.25 million. Resident property owners of the area, depending on their incomes and required rehabilitation costs, will be eligible to receive grants and/or loans of up to $3,000 each which can be used to repair and rehabilitate their existing homes. The question of extending rehabilitation assistance is a matter which is currently under consideration.

NHA Insured Loans Approved for Existing Housing

Year	Approved Lenders (Sec. 6)			CMHC (Sec. 58)			Total		
	Loans	Units	Amount	Loans	Units	Amount	Loans	Units	Amount
			$			$			$
1967	5	5	51	3,660	3,746	34,962	3,665	3,751	35,013
1968	3	5	50	3,466	3,660	34,158	3,469	3,665	34,208
1969	674	685	10,245	3,584	3,789	42,408	4,258	4,474	52,653
1970	5,284	5,344	77,875	1,882	2,149	24,268	7,166	7,493	102,143
1971 (January–September)	10,894	11,053	167,682	1,300	1,346	16,246	12,194	12,399	183,928

CMHC—APARTMENT BUILDING, 6595 BOYCE STREET, MONTREAL

Question No. 2,112—**Mr. Laprise:**

1. Does Central Mortgage and Housing Corporation own the apartment building located at 6595 Boyce Street in Montreal and, if so (a) on what date was it acquired (b) how many apartment units are there in the building (c) are the apartments leased exclusively to senior citizens?

2. Were all the stoves and refrigerators replaced in each apartment and, if not, how many were replaced and what was the reason for not replacing all of them?

[Mr. Orlikow.]

Hon. Robert K. Andras (Minister of State for Urban Affairs): 1. Central Mortgage and Housing Corporation owns the apartment building located at 6595 Boyce Street, Montréal. This building is part of a two-building senior citizen project, the second being located at 6666 Boyce Street. (a) These buildings were acquired in January, 1962, (b) There are 27 apartment units in the first building, and 59 apartment units in the second, (c) The apartments are leased exclusively to senior citizens.

2. All of the stoves and refrigerators were not replaced in each apartment, 70 refrigerators and 83 stoves being replaced during 1971. 16 refrigerators and three stoves were not replaced because tenants in occupancy have preferred to use their own appliances.

PUBLIC SERVICE—FLQ EMPLOYEES

Question No. 2,149—**Mr. Robinson:**

Were any of the persons charged as being members of the FLQ employees of the Public Service of Canada and, if so, how many?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Information not available.

CMHC HOUSING PROJECT, AMOS, QUEBEC

Question No. 2,157—**Mr. Laprise:**

Does the government own any housing units for low income families in the city of Amos, Quebec and, if so (a) how many (b) when were they built (c) for what income levels were they intended?

Hon. Robert K. Andras (Minister of State for Urban Affairs): Central Mortgage and Housing Corporation owns a 96-unit rental housing project in the City of Amos, Québec, although it is not specifically designated for rental to low-income families. (a) (b) 48 of these units were built in 1954-55, and the remaining 48 units were built in 1957-58, these projects being financed under former Section 16 of the National Housing Act for rental to families of low income. CMHC acquired these projects as a result of default under the hypothecs on June 1st, 1959. (c) At the time the loans were made, income limits for continued occupancy were based on an amount equal to six times the rent charged. In accordance with its policy in such cases, CMHC has not imposed any income limits since acquiring the two projects. The present rental rates are $68 per month for three bedroom apartments, and $79 per month for four bedroom apartments.

GRANTS TO THE MEDICAL RESEARCH COUNCIL

Question No. 2,170—**Mr. Robinson:**

1. During the past two years, has the Medical Research Council commented to the government on restrictions in the growth of the budget for cancer research?

2. Has the Medical Research Council requested an increase in its grant and, if so, is the Minister of National Health and Welfare prepared to advocate the principle of awarding a block grant of one million dollars to this organization?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The Medical Research Council has drawn to the attention of the government that additional support for research in the health sciences in Canada could be usefully employed and would be particularly beneficial in a number of important areas including investigations relating to cancer.

2. The Medical Research Council has requested and has received each year an increase in the funds appropriated by Parliament for the support of research in the health sciences.

FOG DISSIPATION AT AIRPORTS

Question No. 2,173—**Mr. Mather:**

Is consideration being given, or is a study underway, to measure and evaluate the effectiveness of airborne commercial seeding techniques in dissipating fog at airports?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): A fog dispersal program, by airborne commercial seeding techniques, started at the Vancouver International Airport in October 1970, and continued for a period of four (4) months. Program development, evaluation and documentation were carried out by the members of the Committee which was organized for this purpose. The program was renewed in October 1971 to carry through to December and into 1972 if required. The British Columbia Research Council is involved in the assessment of technique and effectiveness during the current program, along with Department of Transport staff and those of the seven (7) participating airlines.

PRINCE ALBERT NATIONAL PARK—GOLF COURSE

Question No. 2,199—**Mr. Burton:**

1. What was the total amount of gross receipts from the operation of the golf course at Prince Albert National Park in 1971?

2. What was the total cost of operating the golf course and associated facilities, and what amount of the total cost was for administration and maintenance, respectively?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. $61,541.

2. Administration $1,341, Maintenance $21,469, Total Cost $22,810. These figures represent direct costs only for 1971 to date. There is no means of identifying indirect overhead costs such as depreciation on equipment, original investment and a proportionate share of the park administration costs.

REGIONAL DEVELOPMENT INCENTIVE GRANTS

Question No. 2,203—**Mr. McGrath:**

What was the number of grants and average grant size to companies who prior to receiving a Regional Development Incentives grant employed (a) 25 to 49 persons (b) 50 to 99 persons (c) 100 to 199 persons (d) 200 to 499 persons (e) 500 to 999 persons (f) 1,000 or more?

Hon. Jean Marchand (Minister of Regional Economic Expansion): The requested information is not accumulated or kept by the Department of Regional Economic Expansion.

LIVESTOCK SHIPPING

Question No. 2,223—**Mr. Thomson:**

1. Has the Department of Agriculture consulted with the Purebred Livestock Breeders Associations about the problem of shipping small numbers of livestock across Canada?

2. Has the Department of Agriculture investigated the technical shipping problems pertaining to such livestock and, if so, what is its conclusion?

3. Has the Department of Agriculture considered giving a freight subsidy to shippers of purebred livestock?

Hon. H. A. Olson (Minister of Agriculture): 1. and 2. There have been consultations on an informal basis. The problem is related to the minimum charges applicable to a shipment. On rail shipments, significant economies can be achieved by shipping in carload lots.

3. Yes, and freight assistance is provided in the case of the Eastern movement of Western breeding ewes.

Order for Return

KEJIMKUJIK NATIONAL PARK

Question No. 2,282—**Mr. Crouse:**

Has the government reached a decision for the establishment in Nova Scotia of a section of coastline which will be part of but separate from Kejimkujik National Park and, if so (a) what are the boundaries of the area selected (b) what amount has been set aside for this development (c) on what date will work on this project commence?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): No conclusions have been reached on this proposal as discussions with the Province have not been finalized. (a) Not applicable; (b) Not applicable; (c) Not applicable.

QUESTION PASSED AS ORDER FOR RETURN

PROSECUTIONS UNDER COMBINES INVESTIGATION ACT

Question No. 1,859—**Mr. Orlikow:**

1. In the past year, in how many cases did the government charge and prosecute companies for violations of the Combines Investigation Act, except for cases under section 33(c)?

2. In each case (a) what were the names of the companies involved (b) what were the names of the companies found guilty and what were the penalties imposed by the Court?

3. What were the costs to the government of investigating and prosecuting the above cases, exclusive of the salaries of permanent government employees, but including fees paid to lawyers, court reporters and other officials, travelling expenses for officers of the department, cost of transcripts, etc.?

Return tabled.

Mr. Howard (Skeena): Mr. Speaker, I wonder if I might, on a question of privilege, draw the attention of Your Honour and the government to a series of questions, Nos. 1,709, 1,723, 1,724 and 1,727, standing in my name since September and seeking information relating to what was in fact an invasion of privacy in the community of Atlin in northern British Columbia in respect of the activities of customs officers and RCMP. Inasmuch as the people of Atlin were very much concerned about the matter at that time, and are concerned about the answers to the questions advanced on their behalf, I wonder if we might have some indication as to when those answers might be received.

Mr. Jerome: Mr. Speaker, we will try to answer those questions just as soon as possible.

Mr. Carter: Mr. Speaker, my question No. 1,343 has been on the order paper since April 27 and I wonder whether we can have an answer to it during the next session.

Mr. Jerome: Mr. Speaker, I have made a note of this and will look into it.

Mr. Burton: Mr. Speaker, I should like to ask the parliamentary secretary to look into questions Nos. 1,738, 1,739 and 1,740 which were submitted on September 21 and which ask for very simple statistical information of the; Department of Industry, Trade and Commerce, and also question No. 2,184 submitted on November 25 which asks a simple, straightforward question on the operations of the Temporary Wheat Reserves Act. I might state that these questions are of the type Your Honour very properly ruled from time to time should be placed on the order paper. It becomes rather difficult when there is such undue delay on the part of the government in answering questions placed on the order paper by members of the House.

Mr. Jerome: Mr. Speaker, as in the past we often come to a different assessment concerning what is and what is not a simple matter of statistics, but we will check these questions again to see if they cannot be answered at the earliest possible moment.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, may I ask that all these motions be allowed to stand at this time.

Mr. Frank Howard (Skeena): Mr. Speaker, may I ask when we may expect a response to notice of motion for production of papers No. 247 in my name, and which also relates to questions I posed earlier. This motion deals with allegations made by officials of government about smuggling in that part of Canada that borders on Alaska. When might we expect a response to that notice of motion.

Mr. Jerome: Mr. Speaker, the list of notices of motions which has been transferred for debate, of course, is already considerably longer than any list that could possibly be dealt with during the present session. We are making every effort to determine which of the remaining notices of motions we can respond to in the House, short of transferring them for debate. I will include the hon. member's notice of motion in the list we are considering.

ORAL QUESTION PERIOD

AIR TRANSPORT

HIJACKING—REQUEST FOR STATEMENT ON PREVENTIVE MEASURES

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a question to the Minister of Transport. In the absence of the statement which we hoped the minister would make today, may I ask the minister if he can assure the House that, as a result of the most recent and successful hijacking which took place in Canada, all the necessary security precautions are being put into immediate effect at all airports across the country and if the minister will perhaps reconsider his position and make a statement on this question in order to put the public mind at rest.

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, am I to gather that the hon. member's question is addressed to me?

Mr. McGrath: Mr. Speaker, I could rephrase the question.

Mr. Jamieson: No, Mr. Speaker. I heard the question but I did not hear the first part of it. The answer is, of course,

yes, precautionary measures have been taken. I think members will be gratified to note that the head of the Pilots Association this morning said he is satisfied we are moving in the right direction. I have considered the possibility of making a statement on motions but have come to the conclusion that it would not be advisable to do so. I am looking at means by which interested members of the House might be apprised, perhaps in camera, of some aspects of the problem.

Mr. Forrestall: When?

Mr. Jamieson: I will do that as quickly as it is possible to arrange it. However, I think hon. members and the House in general will understand that this is not a matter that can be dealt with in detail, in public.

HIJACKING—PROVISION OF SECURITY GUARDS ON PLANES

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. Perhaps in the interests of the deterrent effect that it might have on any potential hijacker, it might be in the public interest if the minister would be a little more frank in his reply. That is a matter of opinion. May I ask the minister—

Mr. Speaker: Order, please. The hon. member might ask his supplementary question.

Mr. McGrath: Yes, Mr. Speaker. My supplementary is as follows. Has the minister received any recommendations, and does he propose to act on those recommendations, regarding in-flight security. In other words, are we now considering providing security guards on flights of Canadian aircraft?

Hon. Donald C. Jamieson (Minister of Transport): The answer is no, Mr. Speaker. We are not considering it at the moment and would not consider it without further consultation with the Pilots Association at least, that association up to the moment having said that this is not a solution it favours. There was a meeting yesterday with pilots making up part of the Pilots Association along with, as I understand, some international pilots, and as a result there may be coming forward to me some additional recommendations. At the moment they have not arrived. As I understand their position, and it is one with which I agree, they do not favour the idea of having armed guards on board Canadian aircraft.

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EXTERNAL AFFAIRS

POSSIBILITY OF EXTRADITING MAN WHO HIJACKED AIRCRAFT TO CUBA

Mr. James A. McGrath (St. John's East): Mr. Speaker, may I direct a supplementary question to the Secretary of State for External Affairs. Has there been any contact, either through regular diplomatic channels or directly, with the government of Cuba with a view to extraditing the man who hijacked an Air Canada aircraft.

An hon. Member: Explain.

Mr. McGrath: Can that be done either under the present extradition treaty or under some other Canadian law?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. First, I should say that the government of Cuba has been very co-operative with us in the handling of the hijacking incident. They enabled the aircraft to return to Canada without any delay. We expect to receive co-operation from the Cuban government. Consideration is now being given to applying for extradition under the present extradition agreement that we have with Cuba.

* * *

ADMINISTRATION OF JUSTICE

AIR PIRACY—CONSULTATIONS WITH ATTORNEY GENERAL OF ONTARIO ON LAYING CHARGES AGAINST HIJACKER

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary question, Mr. Speaker. Is the Secretary of State for External Affairs collaborating with the provincial attorney general who is responsible for the county of Peel in Ontario, over which the incident took place? Also, have there been conversations with the attorney general of Ontario in connection with the statements that he has publicly made with respect to extradition probabilities.

• (2:20 p.m.)

Hon. John N. Turner (Minister of Justice): Perhaps I can answer that question. The office of the Attorney General of Canada has been in touch with the department of the attorney general of Ontario, and conversations have taken place.

Mr. Forrestall: Would the Minister of Justice be kind enough to advise the House whether or not there is a meeting of minds with respect to the public declarations of the officials involved with his administrative people with respect to the laying of charges.

Mr. Turner (Ottawa-Carleton): I think that the attorney general of Ontario, like any other attorney general, would not make any statements as to whether he will or will not lay charges.

* * *

INQUIRY OF THE MINISTRY

Mr. Colin D. Gibson (Hamilton-Wentworth): I have a supplementary question to the one asked the Minister of Transport. Did the Leader of the Opposition leave a forwarding address before leaving on vacation?

Mr. Forrestall: Go to hell.

Mr. Danforth: What a stupid question.

Mr. Speaker: Order, please.

Mr. Forrestall: You can't manage the business of the House, so don't ask stupid questions like this one.

Some hon. Members: Oh, oh!

Inquiries of the Ministry

Mr. Speaker: Order, please. Will the House allow the hon. member for Winnipeg North Centre to ask a question. He has the floor at present.

* * *

CANADA DEVELOPMENT CORPORATION

CONFLICT OF INTEREST OF DIRECTORS—GOVERNMENT ACTION

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Prime Minister or to the Minister of Finance. In view of the very large number of corporation directorships held by 19 of the directors of the Canada Development Corporation, will the government consider asking these gentlemen and Mrs. Thur to do as ministers of the Crown have done for many years, namely, divest themselves of these directorships so that there will not be a conflict of interest?

Hon. E. J. Benson (Minister of Finance): The answer is no. The fact that the gentlemen who are directors of the CDC have directorships in other corporations, and had them before they became directors of CDC, indicates that they are people of first class quality and we want them to direct the CDC. Secondly, we would expect the directors of the CDC to act as directors of all corporations should, namely, where there is a conflict of interest involved they would not get themselves involved in the transaction and would withhold their vote.

Mr. Baldwin: Why did you not ask Hal Banks?

Mr. Knowles (Winnipeg North Centre): Will the Minister of Finance give consideration to the fact that when these directors are directors of banks and finance companies and large American owned corporations, there is danger of conflict of interest which should be avoided?

Mr. Benson: Of course, there is always a danger of conflict of interest when a person is a director of more than one corporation, but we trust that the people we have chosen as directors of CDC, whom I think are first class, will behave properly and will not get themselves involved in a conflict of interest.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Will the minister explain why there has been no appointment to the CDC from the province of Newfoundland?

Mr. Baldwin: Because there are no Liberals left there.

Mr. Bell: Jim Tucker is in town.

[*Later:*]

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In light of the reply that he gave to the questions asked by the hon. member for Winnipeg North Centre, may I ask the Minister of Finance if he would endeavour to persuade corporations in Canada to appoint a much larger number of people to their boards of directors so that we could have a lot more people in this country whom the minister and the government could consider first class—

[Mr. Forrestall.]

Mr. Speaker: Order, please. I do not think that question is in order.

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AIRPORTS

ST. JOHN'S, NFLD.—OPERABILITY OF INSTRUMENT LANDING SYSTEM

Mr. Walter C. Carter (St. John's West): My supplementary question is for the Minister of Transport. On December 22, in reply to a question I put to him regarding the instrument landing system at the Torbay airport at St. John's, the minister expressed some doubts as to whether the system was working and promised to reply later. Could he inform the House whether the system is working?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I cannot say specifically because I do not quite understand to what specific instrument landing system the hon. member referred. I am not sure whether he is speaking of new installations or of ones that were in place before, one of which failed. If he is speaking of the one which failed, I may say that I checked personally on December 23 and was told it is now in operation. However, there is additional equipment involved. I am not sure whether it is installed at this moment but I do know that it is in the process of being installed. This is the latest information that I have, Mr. Speaker.

Mr. Speaker: The Chair will recognize the hon. member for St. John's West on a supplementary, but I would point out that the Chair has been trying to recognize hon. members on questions supplementary to the previous question. The question period may become a bit confused but the hon. member for St. John's West has the floor at the moment, and following that I will recognize the hon. member for Regina-Lake Centre who has a supplementary to the previous question.

NUMBER OF LOCATIONS AT WHICH DEVICES HAVE BEEN INSTALLED TO PREVENT HIJACKING

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question again is directed to the Minister of Transport. I should inform him that the system to which I referred was the one which, on February 15, 1970, was promised would be inaugurated. My question is supplementary to the one asked by my colleague from St. John's East. If the minister is unable to name the airports where detection devices have been installed can he tell the House how many airports, the number of airports at which the system has been installed?

Hon. Donald C. Jamieson (Minister of Transport): I find it difficult without abusing your prerogatives, Mr. Speaker, to find how this is supplementary, but the answer is that I am not prepared to give that information publicly.

[*Translation*]

PUBLIC SERVICE

ROLE OF ECONOMISTS, STATISTICIANS AND SOCIOLOGISTS IN ADVISING GOVERNMENT—PRIME MINISTER'S POSITION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the right hon. Prime Minister.

As the hon. member for Waterloo (Mr. Saltsman) today handed us a communique to the effect that 1,380 economists, statisticians and sociologists are employed by various federal departments, receiving salaries totalling $23 million, I would ask the Prime Minister whether he is aware of that fact and whether it is these 1,380 officials who advise the government in its decision to fight inflation or deflation, or related to economic conditions prevailing in Canada.

Right Hon. P. E. Trudeau (Prime Minister): Is the hon. member referring to economists and statisticians employed by the federal government?

Mr. Caouette: Yes.

Mr. Trudeau: Mr. Speaker, their role is similar to that of all officials, which is to advise the minister to whom they are responsible. This minister must make decisions on the basis of all this expertise and his own knowledge of the country.

Mr. Caouette: Mr. Speaker, is the Prime Minister aware that there are 1,380 such persons in the federal departments?

Mr. Speaker: I don't believe this part of the question is in order. The hon. member is merely asking if the Prime Minister is aware that a certain number of civil servants are working in the Public Service. The question, as such, is out of order. Perhaps the hon. member would like to rephrase his question or ask again the second part of it.

Mr. Caouette: I shall ask the second part of the question, Mr. Speaker. Are these the people who advise the government on policies that are followed or that are introduced in the House of Commons?

Mr. Trudeau: Mr. Speaker, I suppose so, in various areas. These economists and statisticians are distributed among all government departments. There are some in the Department of Agriculture and certainly in the Department of Industry, Trade and Commerce as well as with the Bank of Canada and the Department of Finance. Those people advise the ministers in the manner I described earlier. I definitely see nothing there to make a fuss about.

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[*English*]

EXTERNAL AFFAIRS

EAST PAKISTAN REFUGEES—REQUEST FOR PROGRESS REPORT ON AID PROGRAM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Can he indicate the use to which the first $5 million of the $18 million aid program which Canada has designated to assist East Pakistan refugees in India has been put, whether he has had any advice from the United Nations High Commissioner for Refugees, and also will he say whether the government has decided on the use to which the remaining $13 million will be put? In effect, I ask simply for a progress report with respect to Canada's aid program.

• (2:30 p.m.)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, one of the reasons we only allocated $5 million of the $22 million that is available was to see that the money was properly used for the purpose for which it was appropriated. As I said when I gave an answer just before Christmas, $2 million has been turned over to the High Commissioner for Refugees and the other $3 million to Canadian voluntary agencies. I have not yet had a report since this decision on exactly what is being done with that money by the High Commissioner for Refugees. I understand in general, however, that aid is still getting to the refugees and I am hopeful that will continue to be the case, notwithstanding the rather chaotic conditions that exist.

EAST PAKISTAN REFUGEES—POSSIBLE ASSISTANCE FOR TRANSPORTATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): A supplementary question. Would the minister be kind enough to indicate to the House, if I understand his response correctly, whether any of this money is being used for the repatriation of these people? Have we done anything with respect to transport or is the High Commissioner utilizing any of the Canadian money for assistance in transporting these people back home?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I cannot vouch for the exact use of the $2 million which will form part of the funds at the disposition of the United Nations Commissioner for Refugees. However, I did in my answer indicate that the money would be used not only for relief on the spot but also to help in the repatriation, so we have no objection if some money is used for that purpose.

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POLLUTION

PLAN TO DUMP TORONTO GARBAGE IN NORTHERN ONTARIO—GOVERNMENT ACTION

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I have a question for the Minister of the Environment, but in his absence I would direct it to his parliamentary secretary. What action if any can be taken by the Department of the Environment to prevent the government of Ontario from implementing a plan to transport the garbage of Toronto and dump it in Northern Ontario?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, naturally we are not involved in what would essentially be a provincial action, but we are keeping an eye on it.

Inquiries of the Ministry

PLAN TO DUMP TORONTO GARBAGE IN NORTHERN ONTARIO—POSSIBLE CREATION OF NEW PROVINCE

Mr. B. Keith Penner (Thunder Bay): A supplementary question for the Prime Minister. I should like to know if the Prime Minister would entertain a serious proposal from responsible representatives in Northern Ontario to initiate talks for the creation of a new province so that we can become something other than the garbage dump for southern Ontario?

Mr. S. Perry Ryan (Spadina): A supplementary question to the parliamentary secretary. Since much of this material originally comes from Northern Ontario in the shape of pulp and paper and ores, I wonder if the government would not consider supporting this proposition?

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

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EXTERNAL AFFAIRS

POSSIBILITY OF EXTRADITING HAL BANKS FROM UNITED STATES

Hon. George Hees (Prince Edward-Hastings): I should like to direct my question to the Secretary of State for External Affairs. Now that the government has applied to Cuba for the extradition of the man who kidnapped the plane a few days ago, does the government also intend to apply to the United States for the extradition of Hal Banks who committed far more serious and extraditable crimes before fleeing to that country? Could we have an answer?

Since no answer is forthcoming, Mr. Speaker, could I ask a supplementary question of the Minister of Justice? Could the minister inform the House of any good reason why Mr. Hall Banks should not be extradited to this country?

Mr. Bell: Double jeopardy Turner!

Hon. John N. Turner (Minister of Justice): That is right, double jeopardy. We have advice from the counsel of the United States given to the Attorney General of Ontario and the Attorney General of Canada that the proceedings against Mr. Banks were exhausted. That was said in the House two years ago.

Mr. Hees: And that advice was given to the American government by the Canadian government because we did not want him to come up here and talk, and you know it. You know what he would say if he got here.

Mr. Marchand (Langelier): What would he say?

Mr. Turner (Ottawa-Carleton): George, why don't you extradite yourself?

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HEALTH

CIGARETTES—UNDERTAKING OF INDUSTRY TO PLACE WARNING ON PACKAGES

Mr. Barry Mather (Surrey-White Rock): I have a question for the Minister of National Health and Welfare. Can the minister indicate at this time whether the cigarette industry is carrying out its undertaking to place a health warning on its products commencing in 1972?

An hon. Member: Order paper.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, if I understand the hon. member's question correctly, I think the cigarette manufacturers do intend to put a warning on as soon as they can.

An hon. Member: Order paper.

Mr. Speaker: May we have order please. The hon. member for Oxford.

RESTORATION OF GRANTS FOR CANCER RESEARCH—REQUEST FOR STATEMENT

Mr. W. B. Nesbitt (Oxford): A supplementary question to the Minister of National Health and Welfare. Could the minister tell the House if he has now made up his mind whether or not he will be restoring grants for cancer research?

Hon. John C. Munro (Minister of National Health and Welfare): As I indicated, we are looking into that situation now, Mr. Speaker, to ascertain whether needed help will be given to the cancer research society either from the Medical Research Council or our department. We are looking at it sympathetically.

Mr. Nesbitt: A supplementary question. Since there is a great deal of interest in this matter, would the minister make a statement on motions at the earliest opportunity and tell the House in detail what he intends to do?

Mr. Munro: I shall look into the situation again and see where it stands as of today, Mr. Speaker. I shall be glad to inform the House, but I doubt very much whether it will be necessary to do it by way of motions.

Mr. Speaker: Order, please. We will soon be running out of time. Perhaps the Chair for the moment should recognize the hon. member for Simcoe North.

SUGGESTED YEAR-ROUND OPERATION OF MEDICAL COLLEGES TO OVERCOME SHORTAGE OF DOCTORS

Mr. P. B. Rynard (Simcoe North): I should like to address a question to the Minister of National Health and Welfare. In view of the increasing urgency in medical manpower and the critical failure in some areas to provide medical care when required, as well as the favourable opinion expressed by the Prime Minister on the possibility of running universities for the 12 calendar months instead of the present academic year, will the minister meet with his counterparts in the provinces and come to some agreement on a program for running medical schools in semesters for a full calendar year instead of the present academic year?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I have indicated to the hon. member several times that we have assisted the provinces in terms of facilities for medical education through the

health research fund, that is in terms of shared capital costs and through the post-secondary education fund for operating costs. We have also, through national health grants, assisted many organizations in terms of developing auxiliary health personnel who can do much of the routine work that our doctors do. Through all these techniques, we think we are relieving the medical manpower shortage very considerably. There is no doubt that we need the help and co-operation of the provinces in terms of using these facilities on a year-round basis and co-operating with us in the development of auxiliary health personnel. We think we are getting that. If there is anything more the hon. member would like to see done, he can take it up with his own political sympathizers who are in power in the province of Ontario.

Mr. Speaker: Order, please.

An hon. Member: Take it easy.

Mr. Rynard: May I draw to the attention of the Minister of National Health and Welfare the fact that it was the government of which he was a member that brought in national medicare—

Some hon. Members: Hear, hear!

Mr. Rynard: —and they have responsibility—

Mr. Speaker: Order, please. The hon. member for Humber-St. George's-St. Barbe.

CANCER RESEARCH—CONSULTATION WITH PEOPLE ENGAGED IN RESEARCH IN UNITED STATES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is supplementary to the previous one on cancer research. In view of the fact that the American government is spending $1.6 billion on cancer research, would the Minister of National Health and Welfare advise the House what consultation there is between his department and the Americans on the progress they are making?

Hon. John C. Munro (Minister of National Health and Welfare): I cannot answer that question in detail, Mr. Speaker, other than to advise the hon. member that our health officers are in constant liaison with their counterparts through attendance at various conferences in order to keep up with events.

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• (2:40 p.m.)

INCOME TAX

DATE OF PUBLICATION OF NEW REGULATIONS

Hon. Marcel Lambert (Edmonton West): My question is to the Minister of National Revenue. Can the minister advise the House how soon, after January 1 next, he is going to have completed the regulations pertaining to the administration of Bill C-259 or is the tax-paying public going to have to experience weeks and possibly months of indecision?

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, I am not in the position today to give the information which the hon. member is seeking. We will certainly attempt to have the regulations available as soon as possible after the act is in force.

Mr. G. W. Baldwin (Peace River): A supplementary question, Mr. Speaker. Will the government have to wait until a further large batch of amendments are brought in next year by the Minister of Finance before the regulations are in force?

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INDIAN AFFAIRS

PROSPECTS FOR LEGISLATION RESULTING FROM CONSULTATIONS

Mr. Frank Howard (Skeena): My question is to the Minister of Indian Affairs and Northern Development. As a result of the information gleaned at the consultation conferences with Indian people a while ago and the decision of the government to bury the so-called white paper on Indian Affairs, is the minister, someone in his department or some draftsman in the Department of Justice, currently drafting amendments to the Indian Act around information they received from the Indian people about those changes that are needed?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have consulted with Indians as much as we could in the last three years, and we asked them to make precise recommendations regarding amendments to the Indian Act. Unfortunately, they have come up with very few such recommendations lately. But if they have any to submit, we shall be very happy to examine them and to amend the Indian Act accordingly.

[*English*]

Mr. Howard (Skeena): My question is not really supplementary. It is the original question to which the minister did not reply. As a result of those representations that have been made, and this extends over quite a period of time, is the minister, someone in his department or someone in the Department of Justice currently translating these representations into legislative changes to the Indian Act in anticipation of introducing something at the next session?

[*Translation*]

Mr. Chrétien: Following our first discussions with the Indians, many recommendations were made to them which they found unacceptable. With regard to specific problems, such as that of determining who belongs to a given band, I must say that opinions are about equally divided. It is rather difficult for me to decide for them. Still, should they want me to do so, I am quite willing to oblige.

[*English*]

Mr. Howard (Skeena): One further supplementary question.

Inquiries of the Ministry

Mr. Speaker: The hon. member will be recognized for a last supplementary.

Mr. Howard (Skeena): I want to ask the minister why he is evading the question.

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HARBOURS

HAMILTON—CONFLICT OF INTEREST OF PORT DIRECTORS—LAND SWAP DEALS—POSITION OF FEDERAL GOVERNMENT

Mr. Lincoln M. Alexander (Hamilton West): I was taken by surprise, Mr. Speaker. My question is for the Minister of Transport. I believe the minister is aware of the problems that exist in the city of Hamilton in so far as the city of Hamilton and the Hamilton Harbour Commission are concerned. First, there is the conflict of interest of the port directors and, second, the problem of land swap deals between the Hamilton Harbour Commissioners, Stelco and Dominion Foundaries and Steel. Is the minister in a position to advise the House soon by way of a statement as to his interest and jurisdiction in these two particular controversial problems in order that we can get the thinking of the federal government with regard to these very two important matters that are faced by the city of Hamilton and the citizens of the city of Hamilton at the present time?

Hon. Donald C. Jamieson (Minister of Transport): I might be able to give the answer to the hon. member now, Mr. Speaker. In so far as the conflict of interest issue is concerned, this has no relationship in so far as the federal government is concerned. He is an appointee of the harbour commission and, as such, must be dealt with by the harbour commission. In so far as the so-called land swap is concerned, the only action that would be required by us is approval of an order in council if all of the other parties agreed and the matter was resolved to the point where an order in council was submitted to us. I can advise the hon. member that no such request for an order in council has been received to date.

Mr. Alexander: A supplementary question. In view of the fact the Hamilton Harbour Commissioners are not particularly concerned about the use of the land surrounding the harbour, is it the intention of the minister to involve himself with the city of Hamilton vis-à-vis this particular incident before making any decision when it comes to land swaps between the Hamilton Harbour Commissioners and any other industry in the city of Hamilton?

Mr. Jamieson: As I said a moment ago, Mr. Speaker, the question is to some extent hypothetical until such time as the request for an order in council comes forward. In the meantime, we received representations both pro and con regarding this proposal. I will be pleased to take these into account if and when some request for federal action is brought forward, but there has been none as yet.

[Mr. Howard (Skeena).]

[*Translation*]

UNEMPLOYMENT INSURANCE

INQUIRY RESPECTING EXEMPTION OF EMPLOYEES OF SCHOOL BOARDS AND HOSPITALS

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Labour.

Since the new regulations under the Unemployment Insurance Act will come into force in a few days, can the Minister of Labour say whether the personnel employed by school boards and hospitals in the province of Quebec will or will not be subject to them?

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, those employed by the school boards or school commissions of the province of Quebec, including school teachers, and those employed in hospitals in the province of Quebec will be treated precisely as these classes of employees are in other provinces and will be covered by the new Unemployment Insurance Act come January 1.

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AGRICULTURE

POSITION OF MARITIME USERS OF WESTERN FEED GRAIN—REQUEST FOR GOVERNMENT ACTION

Hon. J. A. MacLean (Malpeque): My question is for the Minister of Agriculture. What action is his department taking to meet alleged difficulties of users of western feed grain in the Atlantic provinces who allege that their competitive position is being eroded because the basic price paid for the grain which they receive is higher in most cases than similar grain used for feeding in western Canada and for export?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, this question has been brought to my attention by a number of producer groups, not only in the Atlantic provinces, but in the province of Quebec as well. I can advise the hon. member that the Canada Grains Council undertook a survey of this whole matter some five weeks ago, I believe. They require a terminal period of about two months before they will be completing the program. We will be looking at those findings along with other suggested solutions to satisfy this demand.

Mr. Speaker: Order, please. I will recognize the hon. member in a moment if he will resume his seat. I appreciate that the hon. member for Dartmouth-Halifax East also has a supplementary. Hon. members should appreciate that we will soon be running short of time and we will have to reduce the number of supplementaries as much as possible.

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TRANSPORT

INCREASE IN FREIGHT RATES ON IMPORTED FEEDS—GOVERNMENT ACTION

Mr. J. P. Nowlan (Annapolis Valley): In view of the answer just given by the Minister of Agriculture, I wish to

direct a supplementary question to the Minister of Transport. I wonder if the Minister of Agriculture referred to him the question which I asked last Thursday about this particular problem. In view of the fact that on January 5 there will be further increases in the cost of imports of concentrates for feed to all the producers in the Atlantic area, what is the minister or the Canadian Transport Commission going to do about this? Has this question been referred to the minister?

Hon. Donald C. Jamieson (Minister of Transport): If this question is related to freight rates, Mr. Speaker, any action which might be taken will come under the Canadian Transport Commission. As I have said repeatedly in this House, until they have taken any action, I am as ignorant as the hon. member, and I mean that in a kindly fashion.

Mr. Nowlan: Mr. Speaker, I would not abuse—

Mr. Speaker: Order, please. The hon. member has asked his question. If he is rising on a point of order, I am prepared to recognize him on that basis.

Mr. Nowlan: I can only be kind because this minister needs kindness, Mr. Speaker.

Some hon. Members: Oh, oh!

Mr. Nowlan: Apart from all his other needs, kindness is the one thing he needs right now. He was not in the House last Thursday when I directed my question to the Minister of Agriculture.

Mr. Guay (St. Boniface): Question.

Mr. Nowlan: My question is coming, and your day is coming, too.

Mr. Speaker: Order, please.

Mr. Nowlan: After the Speaker called me to order—

Mr. Speaker: Order, please. The hon. member was recognized on a point of order. He should try to get to the point of order as soon as possible. A number of other hon. members are anxious to ask questions and we shall be running short of time.

• (2:50 p.m.)

Mr. Nowlan: Mr. Speaker, for three days or two days I have sat in my seat. I have not contaminated the Chair with any of my questions. I do not intend to contaminate the chamber with any of my questions during this abortive session of Parliament, which I hope will end soon. But I am not going to sit in my seat and have the Minister of Transport, for whom I have the greatest fondness, suggest by subterfuge that I did not know what I asked about. Today, the minister did not know what I asked about.

Mr. Speaker: This seems to be a debate between the hon. member and the minister as to fact. I really think the point of order should not be pursued. There is not much to be gained by pursuing the point of order.

Mr. Nowlan: I agree. I am not pursuing the point of order. I am trying to ask a supplementary question.

Some hon. Members: Oh, oh!

Mr. Speaker: There are still four or five minutes left before the end of the question period. The hon. member might ask a supplementary quickly, and then we will move on to subsequent questions.

Mr. Nowlan: I shall be very quick indeed if the hon. member for St. Boniface will shut up.

Some hon. Members: Oh, oh!

Mr. Nowlan: The only reason the hon. member for St. Boniface is concerned is that St. Boniface is no longer St. Boniface, it is part of Metro Winnipeg.

Mr. Speaker: Order. I hope the hon. member will be reasonable and ask his question. We do have to get on with the business of the question period.

Mr. Nowlan: I am always reasonable, Mr. Speaker. I always have respect for the Chair. I will put my question very briefly and succinctly to the Minister of Transport. Following my question of last Thursday, has the Minister of Agriculture yet referred to the Minister of Transport my question so that he may know what the hell he is answering?

Mr. Speaker: The hon. member for Greenwood.

Mr. Nowlan: Mr. Speaker, that was a simple, short and succinct question. Surely, the minister can understand a very succinct and sensible question.

BRITISH COLUMBIA RAILWAY—POSSIBLE FEDERAL GOVERNMENT ASSISTANCE FOR EXTENSION TO YUKON BOUNDARY

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, it is with some hesitancy that I address a question to the Minister of Transport who, I suspect, is not as ignorant as he says he is.

Some hon. Members: Oh, oh!

Mr. Barnett: I should like to ask the minister whether the government has under consideration a proposal to assist financially in the extension of the British Columbia Railway, formerly known as the Pacific Great Eastern, to the British Columbia-Yukon boundary, and, if so, whether he can tell us when it is likely that a government decision will be reached on this matter.

Hon. Donald C. Jamieson (Minister of Transport): As I believe the hon. member knows, a detailed study was made by Hedlin Menzies on this subject and delivered to the Province of British Columbia as well as to the railway several months ago. Talks have been proceeding ever since that time, but I would expect that these talks would culminate in some form of tentative proposal early in the new year.

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EXTERNAL AFFAIRS

REQUEST FOR REPRESENTATIONS TO SOVIET UNION TO PERMIT MEMBERS OF MINORITY GROUPS TO EMIGRATE

Mr. Walter Deakon (High Park): Thank you, Mr. Speaker. After listening to all this verbosity, I am glad to be recognized.

Some hon. Members: Question!

Mr. Deakon: I should like to direct this question, if I may, to the Secretary of State for External Affairs.

An hon. Member: Sock it to him.

Mr. Deakon: If you would just keep quiet, I will sock it to him. But I want you to listen.

In view of the numerous requests which I, and, I am sure, many other hon. members, have received from Canadians of Ukrainian and European extraction on behalf of Ukrainians, Poles, Balts and people of other nationalities residing in the Soviet Union, may I ask whether representations have been made to the Soviet Union by the Government of Canada with a view to these nationals being enabled to visit their relatives here, or emigrate to other countries if they so desire?

Some hon. Members: Hear, hear!

Mr. Deakon: Will the government make representations on behalf of these minority groups in the Soviet Union and endeavour to achieve a success similar to that achieved as a result of representations made on behalf of the Jewish community?

Some hon. Members: Hear, hear!

Hon. Mitchell Sharp (Secretary of State for External Affairs): I am happy to receive this suggestion from the hon. member. As he and other members of the House know, when the Prime Minister was speaking with Mr. Kosygin he did make representations along those lines, particularly urging the reunification of families, and also commending our own general policy which is practiced in Canada and which we urge upon all countries, namely, to provide for the maximum freedom of emigration. If there are any particular individuals whose cases the hon. member or others have in mind, I would be happy to receive details and pass along those representations to the Soviet government.

[*Later:*]

RESULTS OF REPRESENTATIONS TO PREMIER KOSYGIN CONCERNING VISITORS FROM SOVIET UNION

Mr. Andrew Brewin (Greenwood): I wonder whether the Secretary of State for External Affairs has followed up what I understood to be the promise made by Mr. Kosygin when he was in Ottawa that he would speak to the appropriate minister of his own government and expedite the process of enabling visitors, especially family visitors, to go from his country to Canada.

Hon. Mitchell Sharp (Secretary of State for External Affairs): It is my understanding that some of these people in respect of whom we did intervene have already left the Soviet Union and have come to Canada. Our ambassador in the Soviet Union is, of course, following up this question from time to time as opportunities present themselves.

WELFARE

INCREASED PROVINCIAL COSTS RESULTING FROM UNEMPLOYMENT—REVISION OF COST-SHARING UNDER CANADA ASSISTANCE PLAN

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. In view of reports by Statistics Canada on provincial government finance which show that provincial expenditures on social welfare aid to unemployed and unemployables have risen by more than 50 per cent in two years, can the hon. gentleman say what action is being taken with respect to provincial requests for immediate revision of the cost-sharing arrangements under the Canada Assistance Plan?

Hon. John C. Munro (Minister of National Health and Welfare): Our position is that the 50-50 cost-sharing arrangement under the Canada Assistance Plan is a satisfactory one at the present date.

An hon. Member: What a cough! When are you going to quit smoking?

Mr. Speaker: Order. Since we have almost reached the end of the question period, perhaps I might try to recognize members who had supplementary questions to ask.

Mr. Marshall: Mr. Speaker, I wanted to ask your permission for the minister to complete his answer to my question.

Mr. Speaker: He had the permission of the Chair, but he appeared to be unable to continue his answer.

* * *

AIR TRANSPORT

USE OF SECURITY GUARDS ON PLANES—POSITION OF AIRLINE PILOTS ASSOCIATION

Mr. J. M. Forrestall (Dartmouth-Halifax East): My supplementary is in a very serious vein and it is directed to the Minister of Transport. Would the minister not care to correct an earlier reply with respect to a decision not to use in-flight safety precautions because they had not been recommended to him by CALPA?

Hon. Donald C. Jamieson (Minister of Transport): I do not think that is what I said. If I did make a mistake, I welcome the opportunity afforded me of correcting it. What I said, or meant to say, was that it was a decision of the Government of Canada not to use armed guards on all our airplanes. This decision was made public the best part of a year ago. It had the concurrence at that time of the Canadian Airline Pilots Association. They have not since that time indicated any change of attitude. I said they met yesterday. They are going to make other recommendations which I have not received as yet. Whether those recommendations will involve a change of view on their part, I cannot say.

• (3:00 p.m.)

Mr. Forrestall: Mr. Speaker, may I ask a supplementary question in order to clarify this point once and for all.

Could the minister indicate whether, prior to the decision by the government, representations or suggestions had been received from CAPA, that in-flight security arrangements might be considered by the government?

Mr. Jamieson: Mr. Speaker, to the extent that my memory serves me right, and I believe it does, there was a meeting between my colleague, the Secretary of State for External Affairs, myself and the chief official of the Canadian Airline Pilots Association, following which there was held a joint press conference at which I believe all three of us confirmed that the same decision had been arrived at during the meeting. That is my recollection.

* * *

[*Translation*]

AGRICULTURE

FARM PRODUCTS MARKETING AGENCIES BILL—POSITION OF MINISTER

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Agriculture.

Does he strongly recommend the control of agriculture and means of marketing provided for in Bill C-176?

Mr. Speaker: The hon. member's question may be put in the course of the debate which will resume in a few moments.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

DELAY IN PAYMENT OF BENEFITS—REQUEST FOR STATEMENT ON GOVERNMENT ACTION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, may I direct a question to the Minister of Labour. In view of the widespread delays in unemployment insurance payments across Canada and the minister's promise of prompt investigation into these delays, especially in the New Westminster area, has the minister any good news for those people who have been waiting between six and ten weeks for their claim cheques?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, those are the usual allegations without proof. If the hon. gentleman has any proof that people have been waiting between six and ten weeks, I should be glad to investigate their claims personally.

Mr. Alexander: A supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The hon. member for Hamilton West and several other members wish to ask questions. We have already gone about five minutes beyond the time of the question period because I felt that hon. members who had been awaiting an opportunity to ask supplementaries should be given that opportunity. I believe we should now call orders of the day.

Mr. Rose: On a point of order, Mr. Speaker, I should like to ask the minister if he is prepared to receive some correspondence from my office on this point.

Mr. Speaker: Order, please. The hon. member might get together with the minister on this supplementary after orders of the day have been called.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I realize that I am transgressing on the time of the House. In view of the question asked by the hon. member for Fraser Valley West, which I think was extremely important, may I say that we are awaiting with great anxiety the statement that the minister intended to make regarding new machinery or new innovations which he has devised for expediting the payment of these claims.

Mr. Speaker: Order, please.

Mr. Alexander: I was wondering if he would make that statement in the near future.

Mr. Speaker: Order, please. The hon. member cannot, five, seven or eight minutes after the question period has expired, seek the floor by way of raising a point of order in order to ask a supplementary. With respect, I suggest to the hon. member that that is not in order. If he has a point of order to raise, of course, it is the duty of the Chair to hear him and rule on the point. Orders of the day.

GOVERNMENT ORDERS

FARM PRODUCTS MARKETING AGENCIES BILL

ESTABLISHMENT OF NATIONAL MARKETING COUNCIL AND AGENCIES

The House resumed, from Tuesday, December 28, consideration of Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, as reported (with amendments) from the Standing Committee on Agriculture, and motions Nos. 1, 5 and 22 (Mr. Horner).

Mr. Speaker: When we adjourned last evening, I believe the hon. member for Skeena (Mr. Howard) had the floor.

Mr. Frank Howard (Skeena): Mr. Speaker, I think the House should also deal with the impact that inflation has upon the economic position of the farmer. The farmer can do relatively little to protect himself from inflation. Industry has no great difficulty in dealing with inflation; it merely increases prices. Advertising campaigns are aimed at increasing the marketability or effective demand of industrial products. A person working for wages as an industrial worker finds no great difficulty in coping with inflation. Any group of workers organized within a trade union have available to them, under the laws of Canada and of the provinces, collective bargaining rights through which they can extract in wages and fringe benefits some of the income that industry obtains through selling its products. The farmer is not in that enviable position. He cannot protect himself. He can do virtually nothing to advance his position. That is what we ought to be attempting to correct on a national scale.

Some time ago the government took the course of bending every effort to increase industrial production to a maximum. It wanted maximum production of primary resources, maximum production at the manufacturing level, at the secondary industry level and the like. The Department of Manpower and the Department of Regional Economic Expansion spend much money from the public purse in assisting industrial productive capacities in this country to increase.

None of this assistance is available to the farmer. For that reason we must ask ourselves several questions. Does the government intend this? If it does, is this bill part of the policy of the government? Does the government intend, through this bill, to industrialize the agricultural section of the economy? Does the government intend to industrialize farming? Does the government intend to drive the family farmer out of existence? Does it intend to drive the small farmer off the land and into the cities and turn agriculture into an industrial business as opposed to an agricultural business. Those are questions we must ask ourselves.

I am inclined to think, having read this bill and the amendments now before us, and having examined the agricultural policies that the government has enunciated from time to time, that the government intends this and that the bill is part and parcel of that process. At this stage, therefore, we are not dealing principally with marketing boards, which of course can be of tremendous assistance to the farmer; we are actually dealing with the policy orientation of the government. We note, for example, that the cheese industry is now geared to industrial concepts. That industry, which is part of agriculture, is being industrialized.

We note with respect to poultry, hogs and other farm commodities, that the policy direction is toward integration. Under that system the retailer or the feed grain industry will control and dominate the agricultural production sector of the industry. The effect of that, of course, is that the farmer is being moved off the land; he is being moved out of the rural area and into the city. The government is attempting to establish in this country a structure of agriculture which is industrial in concept and not rural or agricultural. A structure like that is not concerned about the individual farm, the individual family, the rural community or the like.

Those are questions to which we should seek answers. Therefore, Mr. Speaker, if I may digress for a moment—I do not wish to be out of order but merely to digress—I suggest that we should look at the attitude of the Department of Regional Economic Expansion, see what it has said and what has been said to it about rural life, rural family living, and about what happens to rural communities when through the design of industry, through the drive for profits or through the design of government we attempt to reduce the number of people in agriculture and establish, in its place, something akin to a manufacturing type of industry.

• (3:10 p.m.)

The Department of Regional Economic Expansion helped to finance, if in fact it did not finance completely, the operations of a group called the Canadian Council on Rural Development. That council made its third report and review to the Minister of Regional Economic Expansion (Mr. Marchand) in July of 1970. As I said earlier, whether the department financed the operation of the Canadian Council on Rural Development entirely or to a limited degree is immaterial.

The report of the council was made to the Minister of Regional Economic Expansion. This third report and its review relates almost entirely to the damage accruing to the rural farm family and to rural communities as a result of the policy decisions of the government. It talks about the movement over the years of people from the farm to the city. It questions, not so much why that movement in itself is valuable or otherwise but talks, rather, in terms of whether the extent of that movement is necessary and helpful. It poses a very real question which this bill and this House should be posing.

Let me quote very briefly from page 10 of this report. This passage is underlined in the report to make it even more significant and to draw it even more to the attention of the government. With regard to the flow of population from the country to the urban areas, the report says this:

> The real question is not so much whether mobility is necessary but how much mobility is equitable, not so much whether there should be a flow of population from rural to urban areas, but how great and how rapid a flow is desirable in social and human terms.

That, I think, is the crux of what a farm policy should take into account, namely, social and human considerations. Obviously, this government's policy in terms of agriculture ignores that concept completely. The report also reached a conclusion, as if this were necessary, because everybody in agriculture, everybody who owns a farm or farms for a living knows it to be the case, but in case the government did not know about it the Canadian Council on Rural Development took the opportunity to draw to the attention of the government this conclusion in respect of the disparities in Canadian incomes:

> The conclusion is unavoidable. The most striking disparities in Canadian incomes are not so much between provinces as between the agricultural sector and the non-agricultural sector, in every part of the country.

Again, this passage is underlined in the report to give it even more impact. I shall not make specific reference to this but the report gives tables and statistics to indicate that in some cases in some areas agricultural income is as low as 27 per cent of the non-agricultural family income. It is almost a quarter of what is generally earned in a province. The report talks about the cost-price squeeze which I mentioned earlier. Another part of the report reads as follows:

> The Canadian farmer, in fact, is trapped in a very similar position to that of the commodity producer in the underdeveloped countries, a position made worse because of inflation.

This report is a document to which I believe the Minister of Agriculture (Mr. Olson) should pay great attention and should read even though it was not developed through his department. It talks about the fact that incomes are less in respect of farms, farm families and farm workers than in respect of non-agricultural communities and non-agricultural workers. It talks about the fact that employment possibilities are fewer in rural than in urban areas. It talks about the fact that the level and quality of the standard of living available to farmers and

rural communities which are dependent upon agriculture is less than in industrialized areas or urban communities.

It also talks of the fact that health facilities are fewer in the rural communities and that the doctor-population ratio is less. In other words, there are fewer doctors available to the agricultural, rural communities than to the industrialized communities or the cities. It mentions that the availability and quality of educational facilities are less in the rural community for farmers and agricultural people than in cities and industrialized sectors of the economy. It points out that housing is poorer, that health standards are poorer and that sewage facilities, water facilities and the whole range of social amenities available to Canadians as a whole are denied the agricultural and rural communities. These are denied partly because of the industrialized orientation of the government and partly because of the policy decision of the government to reduce the number of farm families and to encourage the exodus of people from rural communities into the cities.

That is a pretty sad commentary. I submit it is the sort of thing that so far has been the reason for the amendments before the House at report stage of this bill. This I believe, has been ignored so far. The Department of Regional Economic Expansion has available to it hundreds of millions of dollars to give away to industries and corporations, two-thirds of which are United States-dominated, to develop industry and expand industrial plants, but is doing absolutely nothing in the area of rural life.

I submit that the Department of Agriculture should make a policy decision that it is in the interest of Canada to assist farmers to live comfortably off the land, that it is in the interest of Canada to develop a viable agricultural structure and not an industrialized structure. It should develop a type of structure which would make it worth while for farmers to farm and give them the inner feeling that that is the type of life they should lead.

Even though I am a strong supporter of the concept of marketing boards and agencies to ease the economic ups and downs which exist in respect of prices and production of agricultural products, I am rather sceptical that this bill will in fact do what those of us who support marketing boards hope it will do. I am sceptical because of the attitude of the government toward industrial productivity in this nation and a minimization of agricultural activity. Evidently the emphasis of the government is toward city life and manufacturing plants.

Mr. Speaker: Order, please. I have to interrupt the hon. member because his time has expired. He may continue with the consent of the House. Is there such agreement?

Some hon. Members: Agreed.

Mr. Howard (Skeena): Mr. Speaker, as a final paragraph I might say, as I started off, that I do not from my own background in working life have experience as a farmer or of a farming community, as is the case with many members of this House, but I have attempted to draw in my mind, in an attempt to understand what the bill seeks to do, a parallel between the fishing industry with which I am familiar and the farming industry. I submit that there is a parallel, that each is a prime producer, that each is involved in the harvesting of foodstuffs and in the marketing of them to a greater or lesser degree. Each runs into the cost-price squeeze and neither is in a position to deal adequately with inflation. What makes me sceptical about the relationship of the bill to the family farm is the fact that this government has taken similar action with respect to its fisheries policy.

• (3:20 p.m.)

Mr. Speaker: Order, please. I regret having to interrupt the hon. member. There is no limit on the extended time which he is allowed and he can speak much longer if he wishes to do so, but I have some doubts whether at least parts of the speech he is now making are within the terms of the motions before us. It seems to me that the approach of the hon. member is in relation to the principle of the bill itself, rather than to the principle of the motions now before us. In the time remaining at the hon. member's disposal he might relate his remarks to the motions under consideration.

Mr. Howard (Skeena): I thought that in the earlier part of the remarks I had followed precisely the scope that was available to hon. members who spoke yesterday when, of course, Your Honour was not in the chair. I was simply trying to follow the tenor of that debate. I admit that speaking about fisheries is somewhat far afield from a national farm products marketing bill and the amendments that are before us.

In summation and in conclusion I was trying to draw a parallel with the fishing industry. This government, without regard to the effect of some of our coastal communities, because of its attitude with respect to fisheries on the west coast has driven some of our coastal communities 95 per cent into the hands of the welfare agencies. There is nothing available to these people as prime producers because the government itself set the course which has driven fishermen out of the fishing industry. That is why I am sceptical and believe that the concept of this bill is designed to drive farmers out of agricultural life and into industrial life. Farmers are having to move into the cities owned by Kraft, by General Foods or by other massive organizations which seem to want to control the agricultural industry.

That is why I am sceptical about the effect this piece of legislation will have on the agricultural community. That is undoubtedly why those who will be affected by it, farmers in various fields of production, are also sceptical about it and are of divided opinion, because some of them can see the day coming when they will be out of business, unable to find employment in industry and on the welfare rolls. Surely that is not what we should be talking about in the House.

Mr. J. G. Lind (Middlesex): Mr. Speaker, it is a pleasure and a privilege to speak on Bill C-176, the national farm products marketing bill. As one who is an active farmer in the constituency of Middlesex, I say at the outset that I have enjoyed the privileges extended under three of the Ontario farm marketing boards. We all recognize that farmers as a general rule are rather independent people who rely on their own resources and initiative to make a "go" of farming. We realize that in the very competitive society in which we live some farmers need legislation to protect them. The well-to-do, prosperous farmers may not

need this legislation. The gentleman farmer, the rancher, or the individual who is well established does not need any protection, but I assert that the young farmer, the one who is taking on the burden of debt in order to establish himself as a primary producer of agricultural products, needs some protection in the marketplace.

In my area of Middlesex and in southern Ontario we have 18 different marketing boards, four of which work under the quota system. I am referring to the Ontario Marketing Board, the Flue-cured Tobacco Marketing Board, and the broiler and turkey boards. This quota system, especially under the Ontario Marketing Board and the Flue-cured Tobacco Marketing Board has been advantageous to participating farmers. I think it has been good for industries such as the dairy industry and the tobacco industry to have these marketing boards. Because of their success, because they have been able to control production, they have enjoyed in the marketplace a fair return for their efforts. Therefore they have expanded, have been able to maintain a good level of economic prosperity in the community and have been successful in the eyes of their neighbours.

Within my riding of Middlesex is the riding of the Minister of Agriculture and Food of the province of Ontario. I should like to quote some of his remarks regarding the urgency of this legislation. I maintain that we need some national farm products marketing legislation. He said on January 25:

> How soon can we expect to have national marketing legislation to bring order and stability to the industry? . . .Until a national marketing act has been developed and proclaimed, provinces will be forced to use whatever measures they can develop to protect the interests of their producers. It is possible that voluntary agreements can be established, but our experience has indicated little success by this method.

Those are the words of Hon. William Stewart, Minister of Agriculture and Food of the province of Ontario. He also stated before the provincial legislature on April 15, 1971:

> The government of Ontario is of the opinion that the ultimate solution to the problems of international or interprovincial agriculture trade and supply management must be found at the national level. We believe that Bill C-176, the national marketing bill now before the House of Commons, provides the legislative machinery whereby this national rationalization of production and marketing can be realized.

I am in agreement with his views on this legislation. I believe that many hon. members opposite are also in agreement with the views of the Ontario Minister of Agriculture and Food. I urge the House to give speedy approval to this marketing bill. Due to the nature of the farming industry in Canada and its present organization, we know that many individuals are operating under severe financial stress and strain. They more or less rely on the manufacturer, the consumer or the processor to give them whatever price is going at a given time in the market. This is unfair, because those who are least able to bear the burden receive a lower price than they should for their produce. They do not have the requisite facilities to store their produce long enough to take advantage of higher market prices. Under these circumstances, I urge speedy passage of the bill.

[Mr. Lind.]

• (3:30 p.m.)

Hon. Mr. Stewart, again on April 15, 1971, said:

> I suggest that had the national marketing legislation now before the House of Commons been in effect, in my opinion, the problems we now face across Canada would not have occurred, as far as interprovincial marketing problems are concerned.

We all realize, Mr. Speaker, that from time to time we become very regionally minded. We all love our home areas, our home provinces. We all fight for the good of our constituencies. But we must remember that a national farm marketing bill is only enabling legislation supporting the ten provinces of Canada in order that they may have their fair share of the market place for their products.

Some people say that national farm marketing legislation will balkanize Canada. I maintain that it will not. As a matter of fact, we have lived for years under a type of balkanization due to the operations of the Canadian Wheat Board. In 1935 the federal government introduced the Canadian Wheat Board Act which really provided the basis for quotas. It placed restrictions on the movement of grain from one province to another. In essence, there is nothing really new about imposing a type of quota restriction on the movement of products among provinces. This has been going on since 1935.

I believe that the Prairie provinces would not like to do away with the Canadian Wheat Board. They may want to revise the Wheat Board legislation. They might like to reform it a little and bring it up to date. Maybe the board is a little old-fashioned, but the prairie provinces have lived with quotas for years. Quotas could be established under a national farm marketing act upon the advice of a national farm marketing council. I firmly believe that the marketing agencies provided for in the bill would be established only after the results of regional plebiscites had shown that producers in the provinces wanted them.

In conclusion, Mr. Speaker, I wish to say that Bill C-176 is simply enabling legislation to permit the provinces to set up their own marketing boards within their jurisdictions. I fully support it and urge that it be given speedy passage.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, we are discussing motions Nos. 1, 5 and 22 and I have no hesitation whatsoever in supporting these amendments. I think it is safe to say that everyone in this chamber believes we should have free trade in agricultural products, and indeed in all other products, between provinces. I go a little further than that. I believe we should have free enterprise for the individual. I believe in this principle so firmly that I think every Canadian has the right to go broke on his own if he wants to, and a lot of them have been doing that.

Coming from the province of Ontario, Mr. Speaker, I know a little bit about marketing boards because my province has been a forerunner in the field of marketing legislation. We have a hog marketing board, a poultry marketing board and even an asparagus marketing board. You name it and we've got it in the province of Ontario. We have four boards that deal almost exclusively with livestock, and I think there are 11 others that deal with other commodities. What do these boards do? What are they supposed to do? Are they the panacea that the

government suggests they are for the problems facing agriculture at the present time? My first answer is, I think not.

I have noticed a thread running through all the speeches made in this chamber during the last couple of days, with virtually everyone accepting the principle that marketing boards are the answer. No one, so far as I have heard, has taken exception to the activities of marketing boards. No one has stood in his place in this chamber and offered anything in the way of criticism of marketing boards. Apparently we have naïvely accepted the premise that marketing boards are a way of life, and the government has assumed that marketing boards are the cure-all for the ills of agriculture.

I suggest to you, Mr. Speaker, that so far no concrete evidence has been put forward to show that marketing boards have in fact improved the situation for the farmer. I am distressed that some members blithely talk in support of this legislation, all-inclusive as it is, and give the impression that they believe all we have to do is pass this bill and farm problems will disappear as if by magic. I suggest that the problem goes much deeper than that. I ask, what do marketing boards do? What are they supposed to do? Have they done what was expected of them? Who has been the recipient of the greatest benefit, the producer or the consumer? I suggest it is the hired help, the bureaucracy that has attached itself to the marketing boards.

• (3:40 p.m.)

Some hon. Members: Hear, hear!

Mr. McCutcheon: I am not about to try to discredit marketing boards but I hope to differentiate between efficient market sales agencies and what is involved in this bill, compulsory supply management types of agencies. I suggest that the duties of marketing boards are threefold. First, to sell the farmer's product to the best advantage. I think we are all agreed on that. Second, they should standardize quality to give a better balance of supply. Third, they should establish collective marketing where there are many sellers and few buyers. But how have they done? I can speak only of the province of Ontario, but I submit they have not done as well as they might in the selling field because they have not had active governmental support.

In Ontario we have a couple of classic examples of marketing boards and I should like to discuss one which falls in the category of supply management. I am referring to the Flue-cured Tobacco Board. This has the reputation of being a very successful organization, and singlehandedly has been able to cut back the acreage each year for the last three years by about 50 per cent. I am not critical of the board in this respect because they have kept supply and demand in pretty good balance, but I suggest to you, Mr. Speaker, that their problem has been compounded by those confounded plant breeders. These individuals have consistently brought in new, high-yielding varieties of plants which double production. You need only half as many acres to grow tobacco if you are getting twice as much growth per acre. This board has also established an elite, highly capitalized group of tobacco growers with a closed shop in which no young Canadian can aspire to membership unless born into it.

We have heard a lot about opportunities for youth, but how hollow that sounds. If youth wanted to start in agriculture, particularly in the tobacco growing areas, I question very much whether it could be done. A young man could have the best training and expertise in the world but could only get into the tobacco industry if he were born into it. Another thing that is missing in this bill and which has contributed to the success of the Flue-cured Tobacco Board is strict import controls. There is nothing about that in this bill. But on April 14, 1970, when the minister introduced Bill C-197 he made a platitudinous statement to which I shall refer a little later.

Mr. Paproski: Promises, promises.

Mr. Olson: A good thing we keep them, isn't it?

Mr. Bigg: What about $2 wheat, Mr. Richardson?

Mr. McCutcheon: We have examined a supply management type of marketing board, Mr. Speaker. Now let us look at the Hog Marketing Board. Some of these boards have been pretty successful, by which I mean that they have closely followed the prices established by the United States market. If the province of Ontario or the federal government have the temerity to question the actions of a marketing board, there is the stock answer, "Where would we have been without the board?" I should like to put on record a few facts relative to the Hog Marketing Board and other livestock boards in the province of Ontario. Some of the proponents of marketing boards should study their performance.

Ten years ago in the province of Ontario hogs sold at $27.58 on a dressed weight basis. Today they sell at almost $28. In 1961, cattle, which do not come under a marketing board, sold at $21.12 live weight, and today they sell at $34. It is interesting to note that since 1961 the Ontario Hog Marketing Board has collected a few for each hog marketed. Until 1965 or 1966 this was 42 cents, then it went up to 45 cents and to 60 cents, so it has averaged 45 cents per hog marketed in a ten-year period during which time 25,700,000 hogs were marketed. At 45 cents each, this brought the Hog Marketing Board between $11 million and $11½ million of the farmers' money. For this, all the farmers got was a big staff in Toronto. The packers used to send out the cheques, but now that is done by the board.

Mr. Paproski: Shame! How do you like that, McBride?

Mr. McBride: Why don't you say something relevant?

Mr. Paproski: You tell that to your people in Lanark county.

Mr. Bigg: Back in your pulpit!

Mr. Deputy Speaker: Order, please. The hon. member for Lanark-Renfrew-Carleton (Mr. McBride) is rising on a point of order.

Mr. McBride: Mr. Speaker, since other members keep referring to me, I wonder if they would permit me to ask whether they would refer to the bill rather than condemn marketing boards. No one is arguing for or against them.

We are just arguing to pass a bill whereby producers, if they want, can have this type of organization. The hon. member is saying it should not include hogs. That is fine, but it does not have anything to do with the bill.

• (3:50 p.m.)

Mr. Deputy Speaker: Order, please. The hon. member, of course, is arguing a point. The hon. member for Lambton-Kent (Mr. McCutcheon) has the floor.

Mr. McCutcheon: Mr. Speaker, yesterday I sat patiently and listened to the inane chatter of the hon. member for Lanark-Renfrew-Carleton (Mr. McBride).

Some hon. Members: Hear, hear!

Mr. McCutcheon: I had the courtesy not to interrupt even though it was stupid gobbledygook he was putting forth.

Mr. Paproski: The devil's advocate.

Mr. McCutcheon: I wish to quote a few more figures before I get to my main point. According to the Dominion Bureau of Statistics, in 1940 cattle were $6.35 and hogs $11.15. In 1950 cattle were $23.10 and hogs $28.75. In 1960 cattle were $20.87 and hogs $24.14. The member for Kamloops-Cariboo (Mr. Marchand) said that was underpricing them, without a marketing board. The point is that today cattle are 24 cents, 36 cents and 38 cents a pound.

To return to the comments of the hon. member for Lanark-Renfrew-Carleton, I ask this question: Why in the name of heaven would any cattleman want to be covered by this bill? That is the point. If that is not relevant, I do not know what is. I mentioned the fact that with supply management and the closed-shop factor there is no opportunity for young people to get into the business. I commend the hon. member for Skeena (Mr. Howard) for saying that what this government wants to do is industrialize agriculture and get rid of farmers.

Some hon. Members: Hear, hear!

Mr. McCutcheon: When we talk about supply management we are talking about quotas. The only people who benefit from a quota system are those who get it in the first instance. When the hon. member for Middlesex (Mr. Lind) goes back to his lumber yard he will want to take this into consideration. From then on it is the cost of production. Last week the commission looking into the problems of egg producers held a meeting in his city. I quote from the transcript what Mr. Littlejohn, a poultry producer, said about supply management at the meeting in London, Ontario:

> This year two tobacco producers that I know well and who both live less than 3 miles from me rented their acreages for the year. The one got $400 per acre and the other $475.

There is an added cost of production. What are you going to say to the consumer who will be faced with an increased cost? The poultry producers have been talking about this quota all over the province of Ontario. The lumber companies, poultry producers and millers have been constructing henhouses as though they were going out of style. Why? They want to get a tremendous quota because they know it is saleable. They are talking about $2 or $3 a hen for a marketable quota.

[Mr. McBride.]

Mr. Paproski: Now we know.

Mr. McCutcheon: Yes, now you know. My third point is that nowhere in this bill do we have effective machinery to limit the importation of foreign products. We are being asked to pass another Bill C-259 on good will. The minister said he will be bringing in amendments to the tax bill after it has been tried out on the Canadian people. The government wants to do the same with this bill.

An hon. Member: Experiment.

Mr. McCutcheon: Yes, experiment.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I do so to advise him that his time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: Is there unanimous consent that the hon. member continue?

Some hon. Members: Agreed.

Mr. McCutcheon: I feel very humble and grateful that my colleagues have allowed me to continue. I promise I shall not be long. The Minister of Agriculture (Mr. Olson) said in 1970 when introducing Bill C-197 that the situation regarding the marketing of foreign products in Canada makes it at least desirable, if not essential, that we have enabling legislation on the statute books, that is, authority from Parliament for the government to respond from time to time to the requests of a substantial number of producers in this field if they are being hurt by foreign imports.

I mentioned the fact that consumers will very likely have to pay more. I come to my final point. Why all the rush? An inquiry into egg marketing is presently being held in the province of Ontario. Their report will be completed soon. Therefore, I submit it is an affront to the producers of the province of Ontario that at this time we in the House are being asked to ram this bill through.

Some hon. Members: Hear, hear!

Mr. McCutcheon: Yesterday the hon. member for Lanark-Renfrew-Carleton said that farmers in his area are hard-pressed. He has no corner on this market. I come from one of the supposedly better agricultural areas in the province of Ontario. The farmers in my area are crying the same blues. They are desperate and despondent. They are saying, "Well, let's give it a try." I am reminded of what a world traveller said in 1949 or 1950. He had just returned from China. They had thrown out Chiang Kai-shek and had accepted communism. He said that the people of China had accepted communism because they felt nothing could be worse than what they had. This is the attitude of the agricultural industry in Canada today. They feel nothing could be worse than what they have. They are grasping at straws. I tell them that this bill is certainly no solution.

In conclusion I point out that the government's advice to agriculture over the years does not cause me to have great faith in the bureaucratic decision-making that this bill will substitute for hard-nosed decision-making of the workaday world. A year ago the government said, "Grow bar-

ley." Now barley is a glut on the market and growers in southwestern Ontario are facing disaster. It is privately admitted that they were given bad advice and that they should have been growing wheat.

• (4:00 p.m.)

Canada cannot continue to have government by promise. The Minister of Agriculture is asking Canadians to accept this bill on faith. The Minister of Finance (Mr. Benson) did the same thing with respect to Bill C-259. He promised amendments after he had tried out the bill on Canadians. He invoked closure to get his way. Now the Minister of Agriculture is about to try the same thing. Why the rush?

Mr. Deputy Speaker: If the hon. member who has just ended his speech will accept a question, I will recognize the hon. member for Richelieu (Mr. Côté).

[*Translation*]

Mr. Florian Côté (Richelieu): The hon. member said a while ago that in 1962, the price of pork was 27 cents a pound. Does he know that in 1959, the price of pork was $17.80 per hundredweight? I sold some myself. The price went up to $27 per hundredweight afterwards. A lot of farmers gave up because the minimum price was abolished. They gave up hog raising and as a result of the production margin, the price of pork went up in 1962.

[*English*]

Mr. McCutcheon: I had great difficulty with the translation, but what I did understand was really nothing to answer. I shall be happy to sit down with the hon. gentleman and discuss it. Maybe, despite our different languages, we could get together. I could not understand the question through the babble that came to me. I don't think the hon. member made any sense in the first place, but I will be glad to talk to him.

Mr. E. F. Whelan (Essex): Mr. Speaker, I do not wish to take up very much time in this debate, but as a farmer and as a Member of Parliament representing a farm area I think I should make some comments on the amendments proposed by the hon. member for Crowfoot (Mr. Horner). I ask Your Honour to let me know if I stray too far afield, but I listened yesterday and today to everyone who spoke and it seems to me that they not only covered the whole field but, if I may say so, they covered the whole agricultural plain.

If these amendments were allowed to pass in the form suggested by the hon. member for Crowfoot, it would be like pulling teeth from a watchdog and then training him to bite a chicken thief. It would be like removing one or two legs from a good cutting horse and then expecting him to do the same job of sorting for you. It would be like watering down a drink 90 to 1—your imagination would have to do a lot for you.

I can remember my uncles talking about prohibition days and about a certain farm process; I suppose one could call it that because farm products were used in it. A man engaged in the manufacturing business lived in the area. Every time he made a new batch he had to choose a new name. He liked his brands to have a proper title. My uncles, being of Irish descent, were always available to sample these new brands. Mr. Speaker, these amendments put me in mind of the brand they called "Love in a Canoe"—it was almost water.

Mr. Hees: That's not the way I heard it.

Mr. Paproski: It has been watered down.

Mr. Whelan: Well, this brand was watered down so much that nobody would buy it. And I, for one, will not buy this bill if it is watered down as much as the hon. member would wish. All my farming life I have been associated with marketing boards. Every crop I grow is under the jurisdiction of one board or another. These boards are provincial; if they have any fault, that is it. Their jurisdiction does not extend beyond the Ontario border. If I said they were perfect, I would not be stating the truth. But let me say, as the hon. member for Lambton-Kent (Mr. McCutcheon) has just said, they are a lot better than nothing. The producers who use them, that is to say, the vast majority, would not be without them.

The hon. member for Lambton-Kent talked about hog producers. They have the right to reject marketing boards in Ontario. They tried it once, maybe twice, but it was always voted back in. This puts me in mind of a great co-op man who is no longer with us, Father Cody of St. Francis Xavier's University in the Maritimes. He was travelling around, spreading his ideas among farmers and on one occasion he was riding on a train in Annapolis Valley listening to a couple of apple brokers conversing in their seats ahead of him. One of them said, "It is clear what these farmers are getting ready to do. They are getting ready to sell their own apples." The other commented, "What right have they to do that? They know nothing about selling apples, nothing about business." At that point Father Cody could stand it no longer. He stuck his head between the two men and asked, "And who in hell do they belong to in the first place? They are the farmers' apples, are they not, and haven't they the right to sell them?"

Mr. Speaker, I never saw anything which comes even close to the propaganda which has been used to try to scare people about the legislation before us, unwarranted, most of it. Anyone who is making these misstatements is either ill-informed or is purposely doing so in order to divide the farmers across this land for his own selfish interests.

As I say, every crop grown on our farm is under the jurisdiction of a marketing board of one kind or another. These boards are all democratically elected. If producers do not like them, they can throw them out. Indeed, meetings are to be held starting next June in each district in connection with one of these boards. The farmers who send their produce to this board can elect whoever they please, and they do so. Every now and again they turf out some of the members, as is the case in this House. And some of them should be turfed out.

Mr. Alexander: Don't get into personalities.

Mr. Whelan: Consider the board which controls the production of vegetables. This board has the right to negotiate prices, it has the right to set all sorts of conditions on sales. The growers have no right to sign contracts until the board announces that it has reached agreement with the processors who will use the crops. There are

many big farmers who would not be without such a board. These boards have contributed to the welfare of all farmers and I challenge any hon. member to prove otherwise.

• (4:10 p.m.)

The Wheat Board is a different kind of board again. One cent per bushel goes for running the board and 18 cents, I think, goes toward the marketing of the wheat. The price is set as a result of negotiations in which board representatives take part. That board sells wheat in the world market, although once or twice it has sold wheat in the domestic market. If any of the 19 cents is left over, that money is distributed among the producers. Some say the system is not perfect, but the producers get a lot more than $1.12 per bushel, the price they got before the board was established. The Wheat Board is doing a good job. We are selling a great deal of wheat at this time, and the government has had something to do with that.

The soybean board is a different kind of board. That board negotiates such things as freight rates, although its services in most cases are purely voluntary. I do not think the soybean board is as strong as it should be. As I said, it is a different kind of board but I would not be without it. I would not grow any crop if I were not protected by a board. I would not even grow something which hon. members opposite could use. Many hon. members have heard me talk about the price of corn. I would not even grow sweet corn without a board to protect me. Hon. members opposite could use some sweet corn; it might sweeten them.

Farmers have nothing to fear from the legislation as it is. The fear has been created by other people, and I have good views on why this has been done. Some people have been told, Mr. Speaker, that this legislation will create socialism. My experience is that, on the contrary, it will stop it because it will definitely protect the little producer from being completely gobbled up by the big one. If anyone tries to tell me that a system that lets big monsters literally eat up little guys because they cannot protect themselves can be called a free enterprise system, they will have a hard time convincing me. You cannot convince me that that is a good form of free enterprise.

Really, what some people want is socialism for the rich and privileged few. They are the people who want to divide the wealth among themselves. All this talk about socialism means that the privileged want to divide the wealth among themselves. At least, that is what some want but not all. Some of the best farmers in Ontario that I know are strong supporters of marketing boards and have been for years. And, by the way, Mr. Speaker, I am sure most members of the House of Commons know that the boards I have talked about are all in Ontario and that practically all were started by a Conservative government which, by the way, recently received the largest mandate ever given to any government in Ontario. They are the protectors of free enterprise.

Mr. Ricard: Is that why the hon. member voted for them?

Mr. Whelan: I beg your pardon?

[Mr. Whelan.]

Mr. Ricard: Is that why the hon. member voted Conservative?

Mr. Alexander: The hon. member should be honest. He is scared stiff of the NDP.

Mr. Whelan: The facts speak for themselves. The Ontario government recognized the need. That government knew there was a need for marketing boards. The Ontario Minister of Agriculture, Hon. William A. Stewart, has also recognized the need for national marketing boards. That is what he said before the committee of this House. One should not forget what he said in the election campaign. He did not blame the Liberals in Ottawa for the lack of such national boards. He said that if the farmers of Ontario are in trouble, it is because of "those people in Ottawa." He was charitable to the official opposition. He did not want to blame them; he was too much of a politician. He merely blamed "those people in Ottawa," and everybody took it for granted that it was the Liberals who were holding up the legislation. The record speaks for itself. Unfortunately, the average farmer in Ontario does not read the record; he is much too busy working.

This legislation, Mr. Speaker, so far as I am concerned is designed to help all our farmers to become equal Canadians. It will at least give them the opportunity to become equal partners in our agricultural industry.

Mr. McCleave: Come, now.

Mr. Whelan: I think I know as well as anyone in this House what farmers really want. From the long association I have enjoyed with the farm organizations across Canada, I think I know what most Canadian farmers really want.

Mr. Korchinski: Is that why the hon. member turned Liberal?

Mr. Whelan: I hear hon. members opposite making comments. I have been in the hon. member's part of Canada and I tell him that I think the vast majority of farmers in Saskatchewan are in favour of national marketing legislation. As I said, this legislation will help farmers to become equal Canadians in our economy. It will give them the opportunity to become equal partners in our agricultural industry, if they want to take that step.

The hon. member for Lambton-Kent said, "Do not shove this bill down our throats." We are not shoving anything on anybody. We are making this law available to those who want to use it, that is all. I hear much talk about free enterprise, yet who wants to apply the sort of system that applies to no other industry to agriculture, when one knows the chaos agriculture is in?

Let us talk about the trucking industry. Why do not hon. members on the other side, for example, buy some trucks and start a trucking business? They cannot go into the trucking business because they cannot get a PCV licence. Let people try to walk a dog down the streets without a licence. Why do they not start an airline or a radio station? They cannot go into the radio business without a licence. You can see what happens, yet hon. members insist on talking about free enterprise in agriculture. That is the trouble. Agriculture has been free for everybody.

I see a couple of members of the medical profession in the House. I suppose they know that some doctors have had to turn to agriculture because the medical profession's governing body would not let them practice. Those people, even though qualified, could not get a licence. Even though doctors are badly needed in certain areas of Canada, these people were not allowed to practice.

Mr. Horner: Mr. Speaker, would the hon. member permit a question?

Mr. Whelan: If I have time at the end of my speech I will be glad to answer questions.

Mr. Alexander: What about lawyers?

Mr. Whelan: I could name other segments of our society. If real estate brokers are afraid that too many people will enter the real estate field and interfere with their earning $50,000 a year, they withhold licences from new applicants. They are allowed to set the number that will enter the profession. Or let us talk about plumbers and electricians. How many young people have been refused membership as apprentices in the Electrical Workers' Union? I am using these examples merely to show that agriculture is the only part of our society without any controls. Nothing is done to provide for stability in that segment of our society.

I have always argued that our agricultural products know no provincial boundaries. I have said that in many speeches, and I said it even before becoming a Member of Parliament. We know this to be a proven fact, according to a recent Supreme Court ruling. We have seen in the past smart operators moving from province to province to escape producer marketing boards; sometimes they have done that with governmental help. The help came either from the province they were moving to or from the federal government. I do not approve of that. I know, as I am sure every member of this House knows, that such people have only one thing in mind, namely, making more money. They wanted to do that by taking advantage generally of all concerned. First, they wanted to take advantage of the producer; second, they wanted the advantage of cheap labour and, third, they wanted to take advantage of the consumer.

One may ask, how could they take advantage of the consumer? They do so by charging the consumer the price he would be charged if they were paying the regular price for produce and labour in other parts of Canada. I do not think very much of this practice. Although some of these operators have been successful, that is an unscrupulous type of operation and one that this bill can bring to a halt if producers generally want to take advantage of it.

These unscrupulous operators completely destroy any stability in price that a commodity might enjoy. They can do this because they are not strictly regulated. Anyone who know anything about marketing boards will know that such boards bring about a high quality of product. Strict regulations encompass almost everything that the producer produces, the result being a product of high quality. Producers produce a high quality product under national marketing boards or provincial marketing boards. In the processing business in our area, which encompasses practically the whole area, the produce is second to none and the consuming public receives the benefit of it. In other parts of the world it is not of such high quality.

• (4:20 p.m.)

We must also think of some of the things that have been done because of marketing boards across our country. I think particularly of the east coast and what has been done in respect of fish production there. Indeed, I also think of freshwater fish production. These marketing agencies are not without fault, but they are of great benefit to production and producers are in a much better position than ever before. The boards have not cost very much, either.

Some of the comparisons made with fascist and communist countries would be laughable if they were not so wrong. I have visited some of these countries and I have in-laws who come from them. My wife comes from a country with a socialist doctrine. When I visit large farms I like to compare them with the inefficient state farms. I know that in Yugoslavia the independent farmer produces the bulk of the food. We also know that western European countries receive a high price for their products. Hon. members mentioned this fact and suggested that we look at what these countries are doing for their farmers. They did not go further and say that these farmers have had strict marketing boards and that they have had them for a much longer period than Canada. Two examples are Great Britain and New Zealand. Both are democratic countries. They have had marketing boards for years and I understand they were established by other than socialist governments.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: Is it the wish of the House that the hon. member be allowed to continue?

Some hon. Members: Agreed.

Mr. Whelan: I shall not be very much longer, Mr. Speaker. I know many Canadian farmers. I have received many letters from all across Canada. The farmers of this country are in favour of this bill in the ratio of 90 to 1. Some of those who are against it do not know why, but generally speaking have taken this position because someone has told them to do so. After studying the volumes of evidence and the thousands of words, some of which in farm language could be described only as hogwash, of the committee proceedings, I think there should be a time limit on committee proceedings and on every piece of legislation which appears before this House. If legislation is to be dealt with in a democratic fashion, there should be a time limit on it.

This bill should pass without further delay so that the farmers of Canada can take advantage of it if they want to do so. It is not being stuffed down their throats. It is being offered to them if they want to use it.

Mr. Deputy Speaker: The hon. member for Compton (Mr. Latulippe).

Mr. Horner: Mr. Speaker, may I address a question to the hon. member?

Mr. Deputy Speaker: Order. The hon. member for Crowfoot (Mr. Horner) rises to ask a question.

Mr. Horner: Mr. Speaker, in his speech the hon. member referred to the closed-shop concept. He referred to plumbers and doctors. I do not know whether he mentioned lawyers, but he could have. Does he not agree that they have no closed shop if they have the ability to go to university and acquire the knowledge to become a doctor or a lawyer, or if they have the ability to learn the trade of plumber, but that under this bill one would have to have the money to buy the quota no matter whether or not one had the ability to operate the quota after he had purchased it?

Mr. Whelan: You know better.

Mr. Horner: I do not, and if you do, explain it.

Mr. Whelan: First of all, I have had experience with young people who wanted to go to medical school, who were highly qualified but were not allowed to do so. We know that some lawyers in this country are saying that there are too many lawyers. We know that today one cannot become an apprenticed plumber and work as a plumber because there are too many plumbers. I am saying that every way of life has some control over it. Even when one drives a car down the road he does not drive on the right side because he wants to; he does so because there is some kind of control. Even in this House we are supposed to have some kind of control.

Mr. Rynard: Mr. Speaker, I rise on a point of order. I should like to ask the hon. member for Essex (Mr. Whelan), who is a very good friend of mine, what he was alluding to when he said that doctors are controlled by licence. Was it the medical school he was referring to?

Mr. Deputy Speaker: Order, please. The Chair has recognized the hon. member for Compton. There would have to be unanimous consent for the hon. member to ask a question. Is there such consent?

Some hon. Members: Agreed.

Mr. Whelan: As I understand it, they are provincially licensed. If one should go from one province to another it is necessary to obtain a permit to practise in that province. Also, there has not been an increase in the medical schools and therefore doctors are not turned out like chickens and eggs from a poultry farm so that there would be sufficient doctors for everybody. Then we have the situation in respect of immigrant doctors. Why do we not let these doctors come to Canada and go to work? They must have a licence first.

Mr. Rynard: Mr. Speaker, I wonder whether the hon. member would support me in respect of what he has said, so that the medical schools might be enlarged and the government would provide the necessary funds to run those medical schools.

Some hon. Members: Hear, hear!

[Mr. Deputy Speaker.]

Mr. Deputy Speaker: It seems to the Chair that we are wandering a little further than we should. The hon. member for Compton.

• (4:30 p.m.)

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I would not forgive myself if I did not take part in this complex and socialistic debate on Bill C-176 which proposes that absolute controls be imposed on farmers.

Mr. Speaker, farmers face problems that are particularly difficult, cruel and disappointing. We see today that the results of the so-called reforms in the agricultural field were not very good. Governments, both Liberal and Progressive Conservative, have, in the past, had many ideas to save agriculture.

Farm loans were meant to save agriculture. Three or four other kinds of loans endorsed by both the provincial and the federal governments were devised subsequently. Farmers' unions were also established. Farmers were told: get united, because you are divided, because you do not understand your problems. Get organized with the help of responsible and competent people who will understand your problems and submit them to the legislators who will solve them. That was the solution suggested.

All kinds of solutions were found. Farmers were fooled with so-called solutions and today we are still looking for another solution. Nothing has been found yet.

Never in our history has agriculture been in such a state of stagnation. Agriculture is doomed to failure. Farmers are desperate because they have been ruined under our fine system.

Because they were loyal to the old parties, farmers are now like castaways. They throw up their arms in the air and ask for any kind of life-boat. They are ready to place themselves in any situation now to save agriculture from bankruptcy. The government proposes Bill C-176, telling them how it can control the situation with measures that are even requested by the farmers' union, in the light of studies that have been conducted over the years.

Farmers are surrendering their possessions to an agency that will not even have a sense of responsibility, because they can no longer hold out. They are at the end of their arguments, at the end of the road. They can no longer navigate.

Such is our fine system, that we have favoured for such a long time, and it is the system that the hon. member for Richelieu (Mr. Côté) asks people to support. The hon. member for Richelieu says: I am a farmer. I know your needs. The only important thing to achieve is the marketing of all your products. That is what will save you.

But we had a lot of saviours in the past. We are still at the same point. We have been saying for 30 years that all these saviours and all these organizations go round in circles without solving anything. Now we have the proof of it and we derive some satisfaction from having warned people 25 or 30 years ago. We told them then that the Farmers Union and the co-operatives would not save them. We told them that they would be saved by money because it would take money to sell their products, because it was necessary to give consumers some purchasing power and because that problem would never be

solved as long as we did not find a way to boost the purchasing power of the consumers. Today we are trying to solve the problem through socialization, through the communization of all agricultural property—which is nonsensical.

As a consequence, a considerable number of farmers left their family farms because they were kicked out by the present economic system. They are now living in cities where they are on welfare at the expense of other citizens. And a great number of those remaining will go the same way with the coming into force of Bill C-176—the most infamous bill ever proposed to a nation. We are dragging farmers out by the neck. Whether they like it or not, they will have to follow: financial dictatorship is doing its job, and in order to be faithful to the old parties, we say: Go on accepting all those organizations which control you and strangle you; welcome them with open arms for they are your paradise and your haven.

So, the old parties' puppets like the hon. member for Bonaventure-Îles-de-la-Madeleine (Mr. Béchard) are begging their colleagues to pass this infamous legislation. These same puppets in the past have had the farmers running around in circles, leading them to disaster and stagnation.

This stupid bill intended for spoliation and crucifixion, supported by the then high priests and pharisees, proclaimed, stimulated and justified by the puppets to which I just referred, demanded the condemnation of the saviour, of the just, and his replacement by Barabbas, the thief, the murderer, the bandit, the hypocrite. The same gestures are now being repeated in this House. The high priests and pharisees have won and spilled their venom; they have sown confidence in various puppets and if we want this spoliating legislation before crucifixion, the just should ask his father to forgive them for they know not what they do.

There are so many people, even among farmers, who because they have their heads in the noose because they know of no other solution, are forced to trust their leaders and request such atrocities, like socialism, forsaking their liberty, and losing everything they cherish the most.

And yet we have waged war to save democracy, to save civilization, to save free enterprise, to save true freedom. That was to be the end to depression, misery or insecurity. So long as the earth will bear its fruits each and every individual will be entitled to live in peace, in liberty and in security.

Mr. Speaker, this is why we fought to uphold all those great principles. And we have lost all the battles. This precious Bill C-176 is now robbing us of our most valuable possession—true freedom.

• (4:40 p.m.)

Because we have been faithful to the old parties, we are witnessing the elimination of all our principles through complete control under the disguised reform of Bill C-176.

Following a system of debts, of farm loans and various counter-reforms of financing, this was to save agriculture. Unions, co-operatives, transportation facilities, adequate techniques, agriculture experts, political promises, all this was to save agriculture and to place it on its true pedestal.

In spite of this, farmers are gasping for breath. They cannot even pay the interest on their debts. And yet production is plentiful. They are faced with overproduction. Demand is inadequate, even though many consumers are living on a bare minimum. And even if we have this confounded marketing agency, the consumers' purchasing power will never permit them to buy these products which will remain in the warehouses. Farmers will go bankrupt and their farms will become collective farms. This is what will happen since it is the objective of the magnificent Liberal party, the party of freedom, the party of radiance, the party of sunshine which saved the world.

We are on the verge of bankruptcy and communism, we are on the brink of the worst disaster ever seen in this country. And yet the farmers are opposing this kind of control. It is because they are at the end of their chains. This is why it is said that they are asking themselves for this kind of control or economic suicide. The hon. member for Richelieu stated yesterday that the farmers were asking for it but when you are shipwrecked and about to die, you cling to anything. Farmers have reached this point.

They do not say that it is a system of indebtedness which led our economy to ruin and to bankruptcy. They take care not to say that this disrupts the economy to such a point that the farmers have to bow to the all-powerful state and bring themselves to make their submission. The other businesses will follow suit shortly because they are all in the same situation.

The assets which private citizens have so dearly and so hardly earned in business will be turned over to the financiers. In order to better guarantee farm loans, assets, control, sale, marketing, purchase, the puppets of the system will step in to ensure more effective accounting methods.

The most hard-working, honest and peace-loving people will be under the control of an absolute dictatorship.

They will lose control of their production and their prices, which will be regulated by a board of high-salaried bureaucrats and by a large administration. The farmers will have to be satisfied with leftovers. They will still suffer the loss of their farms, of their assets, which this board will turn into collective farms.

We shall then have socialism, communism and state control, with complete nationalization in a fairly near future.

Now, Mr. Speaker, all Canadian producers wish for an economic recovery likely to achieve the purpose of marketing their products on the Canadian market in order to meet the needs of the consumers and to get a fair return for their labour.

They are told to consider problems in a national rather than regional context. Problems in agriculture are always the same, just like in other fields of industry and commerce. People fight to obtain reasonable prices without fleecing the consumer but it always gives opposite results; the consumer gets fleeced more and more.

If consumers are fleeced, Mr. Chairman, it is on account of taxes and the interests with which prices are saddled, that prevent producers from realizing reasonable profits, since prices increased on account of all the above-mentioned.

We are considering amendments to the bill and the bill itself. Primary industry, like all others, has to cope with overproduction and not consumption problems. People do not know what to do with their products.

For Western producers, there is too much grain and too much beef and they embark on other kinds of production like bacon and chicken, but that hampers the Eastern producers' market. In order to get better loan guarantees, we ask for the nationalization of farm products by means of regulations controlling production, sales, price marketing, in short, all the agricultural economy. That causes the Eastern producer to invervene and force the government to establish controlling agencies and penalize Western producers. Shall we find solutions in such proposals or such positions?

Will that prevent prices from going up? Will that enable consumers to consume more? Does that policy recognize that the one who will really control the economy is the one who has the last say, namely the consumer? Do we recognize that production has but one objective, that of meeting peoples' needs? No thought is given to satisfying finance to the detriment of everyone else, everything else.

If agricultural production is to be maintained, as in other sectors, the purchasing power of the consumer must be capable of absorbing even more goods of all sorts. His purchasing power must be supported in proportion with his legitimate needs.

This can be achieved in various ways. First of all, through a compensated discount and through issues of converted credit allowing lower prices. Prices are too high and consumers are therefore prevented from consuming more. This also harms exports.

With regard to the basic industry, agriculture, a discount should be allowed on the purchase of all machinery used in production, on building materials, and products used for transport. This would result in a general lowering of prices, and it would then be easier for the farmers to sell their products. Exports would then also be greatly promoted. Once requirements are met, any surplus should be stored by farmers and their co-operatives for export purposes. The government should use some of it to make gifts, to distribute food for which there is such a great demand in starving countries.

• (4:50 p.m.)

We do not know what to do with production. Yet, two out of four people in the whole world are starving. We do not know what to do. The lands are put to rest. Farmers are paid not to plant. All kinds of formulas are developped to bother farmers, to prevent them from sowing and producing, to force them to quit so as to produce less and not get surplusses because we are too stupid to distribute the surplusses.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member but his time has expired.

An hon. Member: Go on.

The Acting Speaker (Mr. Laniel): The hon. member may get the unanimous consent to continue his remarks. Is there such consent?

Some hon. Members: Agreed.

[Mr. Latulippe.]

Mr. Latulippe: Mr. Speaker, I thank hon. members for the kindness that they have shown me. I admit that I have a lot to say, but I shall limit my remarks.

To get back to the Board of commodity control and credit to cooperatives, I was saying that this would assist farmers. If they already have all these types of cooperatives and marketing, they do not need other agencies for marketing. What they need, Mr. Speaker, is some guarantee for the consumer of an adequate purchasing power. In this way, farmers would remain the owners of their farms. Unfortunately, the agencies created and dominated by the government will take all the decisions regarding goods to be produced, quantities, quality, categories and classes of products prices to be paid. In this way, we will have an agricultural economy similar to that of the USSR, Czechoslovakia and Yugoslavia. I would point out that all workshops came to the same conclusions during the Congress on Agriculture: they all concluded against state intervention in agriculture most of them restricted themselves to wish for intervention between the provisions of the second and the third paragraph, that is, between average and high intervention.

At the present time, intervention is directed toward level II, but Bill C-176 does away with level II to fall to level IV. The next step will be complete state control of agriculture.

Mr. Speaker, if farmers want more security, they will have to give up a certain degree of freedom, with this Bill C-176. If farmers want a guaranteed annual income and investment benefits, they cannot have high benefits. If farmers want state control, they must cater to the needs of the consumers and the taxpayers. If they want a high level of state control, their organizations will have to transfer a considerable amount of their power, initiative and responsibility to the government. That is the purpose of Bill C-176.

It is hard, if not impossible, to reconcile fundamentally opposed choices. In other terms, it is just about impossible to enjoy the privileges of a system without at the same time accepting its drawbacks.

Because of the increasing interdependence of various fields—those, for instance, of commodities, of wheat, of grains, of fodder plants, of cattle—the whole system has to be integrated in a logical way. This is why I feel, Mr. Speaker—I think that hon. members have already understood—that we cannot approve this bill, for we are fighting for freedom. We are fighting for security, true, but also for freedom, and for this reason we will vote against the bill.

Mr. Roy (Laval): Mr. Speaker, I rise on a question of privilege.

The Acting Speaker (Mr. Laniel): Order. The hon. member for Laval is rising on a question of privilege.

Mr. Roy (Laval): Mr. Speaker, I listened most religiously to the speech of the créditiste member for Compton, and I would like to ask him whether there is any other means of promoting orderly production. The hon. member said that the problem was one of price and that the price of farm products was too high—

The Acting Speaker (Mr. Laniel): Order. The Chair finds it difficult to allow the hon. member to use the pretence of a question of privilege to ask a question. He could have asked the hon. member for Compton if he would accept a question when he was making his speech but now that the hon. member has concluded his speech and the Chair is about to recognize another hon. member, I do not think that the pretence of a question of privilege could be used to add to what has already been said. I am quite prepared to allow a question with the consent of the House and the hon. member for Compton.

Some hon. Members: Agreed.

Mr. Latulippe: Agreed.

Mr. Roy (Laval): My question is this: are there other alternatives to put some order in production? As a matter of fact, it seems that the producers themselves are calling for this legislation because the prices for agricultural products are too low. They are below the cost of production. I think the hon. member for Compton understands the problem since he objected to new licenses being issued for cable television programs in the city of Compton. He also objected to other furniture manufacturers coming down to the city of Compton to protect his own business. So it seems to me the farmers also have the right to protect their investments—

The Acting Speaker (Mr. Laniel): Order. The hon. member may ask a question but he may not make a speech at this time.

Mr. Latulippe: Mr. Speaker, in reply to the remarks made by the hon. member, I will say to him that we can solve the problem of consumption through consumption. It is consumption which regulates production. So if we want production to work we must organize consumption accordingly. We must have balance between the two.

The hon. member said that I had refused certain things because they would be detrimental to my business. I never said that. I will tell the hon. member that this is a sheer lie.

Mr. Léopold Corriveau (Frontenac): Mr. Speaker, I feel compelled this afternoon to comment on a bill which is also important to the Frontenac riding where 50 per cent of the population are farmers and 50 per cent workers.

I would like to reply to the hon. member for Compton who rightly said that Canadian farmers are now facing a problem. That is why this government is trying to pass a bill that would help all the farmers in Canada. It wants to provide them with a tool which will allour them to get out of their present stagnation. The government does not wish to provide them with a legislation which would serve the interests of some farmers in a particular area or province, but the interests of all the farmers in Canada.

When we hear in our ridings that farmers are in a predicament, it does not—

Mr. Latulippe: Who placed them in that predicament?

Mr. Corriveau: Mr. Speaker, the hon. member for Compton indicates this afternoon that he does not wish to provide the farmers with the tool which they need to overcome their present situation. He takes to task the hon. member for Richelieu (Mr. Côté) because he is not a farmer; I think that he is probably more of a farmer than many of us.

• (5:00 p.m.)

Therefore, Mr. Speaker, I think that I should add that what the government now wants is precisely to put some order in Canadian agriculture, and the only way to do that is to establish a national marketing agency, so that marketing will not remain at the regional or provincial levels. The only way to enable farmers, especially small ones, to keep their farm is to give them the necessary tools to fight those who are trying to achieve agricultural integration.

I do not think that at the present time, farmers can complain about the Canadian Dairy Commission. Indeed, that Commission is operating at the national level and all farmers seem satisfied.

If at the present time, we want to prevent small producers from leaving their farms, all hon. members, especially those of the opposition, must help us to pass Bill C-176. We do not want to create a Santa Claus, as mentioned by the hon. member for Compton (Mr. Latulippe) a while ago, with Bill C-176.

One cannot give right and left. I say to the hon. member for Compton that, if such a thing were possible, I would be the first to go to his place to buy some furniture, and I hope that he would give it to me! When you call on us, you will talk in the same way as you have been doing in the House this afternoon. And you may be sure that, if I visit your riding, I will say the same thing that I have been saying in the House this afternoon, because I am anxious for the farmers of Frontenac County to be able to stay on their farms.

You want us to regress. There was a time when any farmer could go to the village or the city to sell his products, but times have changed and the marketing of agricultural products is no longer the same. Purchasers and consumers no longer want to buy the same products in the same forms, and that is exactly why the government of Canada is presently trying to give the farmers some means of marketing their products.

As the need for marketing services grows between producers and retailers, the role of middleman is filled by brokers, wholesalers and packers. They buy the products from farmers, group them and treat them. That is precisely what we want to give Canadian farmers: the possibility of selling their products, not individually, but in groups, through a system of co-operatives.

A while ago, the hon. member said that co-operatives have not solved any farming problems. On the contrary; to my mind, co-operatives in our areas gave farmers an instrument through which they got rid of their surplus production. The hon. member also said that the farmers do not want Bill C-176. Now, I can say that the Quebec C.F.U. have met us on various occasions. They did so when Bill C-176 was studied in committee, and if the hon. member is honest he will admit that those people want this bill passed, that they are clamoring for it, a complete bill and not part of a bill as the hon. member wants, because such a bill would then apply to a particular area or to a particular product.

It seems to me that at present the C.F.U. and the co-operatives—

Mr. Henry Latulippe (Compton): A man who is about to drown grasps at anything.

Mr. Corriveau: Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but I urge him to address himself to the Chair, because it is rather difficult for the hon. members to follow an exchange they cannot hear.

Mr. Corriveau: Mr. Speaker, it may be my lack of experience which makes me break the rules. But since I wanted to answer the previous speaker, perhaps I did break the rules and I apologize.

Mr. Speaker, I must say that I have had several opportunities to meet farmers from my riding and they are actually waiting for this famous bill which will allow them to gain recognition throughout Canada, not individually, but collectively and not at the provincial level. We have recently witnessed experiments where the aim was to introduce marketing, to control a certain production at the provincial level, and we have seen what failures have resulted from that. It is precisely through Bill C-176 that we want to solve this problem and try to put some order in the field of agricultural products.

Some are trying perhaps to distract us with products they want excluded from the bill, but I think that should not be done. If we really want to help all producers, all farm products will have to be included in the bill.

Mr. Speaker, such a national marketing agency was created at the federal level. In fact, as I pointed out earlier, it is the Canadian Dairy Commission which looks after the marketing of industrial milk. The Commission has no power whatwoever to regulate production volumes, but it influences production through subsidies aimed at promoting the production of high quality milk and at regulating the quantities required to meet the market demand. It reduces those subsidies when farmers exceed market requirements. Bill C-176 will precisely complement the regulating function of the Canadian Dairy Commission and perhaps that of the Canadian Wheat Board. Mr. Speaker, if we want all farmers to have similar purchasing and selling power, a single marketing is needed and we must pass this Bill C-176 which provides just that.

Once the provincial marketing boards were created, producers discovered a loophole that enabled them to sell their products to another province by going around the provincial marketing board.

To prove the argument I put forward a moment ago, I say that it is impossible to try to create a marketing board only at the provincial level: we must try and create one at the national level. Therefore, the federal government passed a law to solve this problem: the Agricultural Products Marketing Act.

A great many provincial marketing boards used this legislation in the mid sixties. They were well set up in respect of several products, particularly eggs, tobacco and some fruits and vegetables as well as pork.

The hon. Minister has called our attention to the fact that competition is to be had on a different level. Now, individual producers compete for their share of the market and provincial marketing boards are waging a fierce war over eggs and chickens. Now, that is exactly what we want to prevent. The Opposition, seemingly, wants to abandon people to their own fate at the provincial or regional level. This is what we are attempting to control at the national level by enacting legislation applying to all provinces and areas.

May I add that I am pleased to have taken part in the debate on this bill which, in my view, is of vital importance. If we have faith in agriculture and want order to prevail in that field, I fail to see how hon. members in this House can object to a piece of legislation which is really of assistance to all farmers in this land of ours.

[*English*]

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I was very glad to hear from my friend, the hon. member for Compton (Mr. Latulippe), that all the farmers in Quebec are not in favour of this type of marketing board or this type of legislation any more than farmers in other parts of the country, because there have been charges that this is just a western fight. Those charges are not true.

In support of the amendments of the hon. member for Crowfoot (Mr. Horner) I would like to say that these amendments make the bill less obnoxious. The bill will still not be acceptable while it contains the principle of supply management. The legislation does not specifically point out how more money will be put into the pockets of the farmers. What else are we talking about at the present time? On the other hand, the costs of administration of this type of legislation and paying for production quotas, and so on, which are contained in a bill of this kind will increase production costs.

I am not in any way convinced that spending money on supply management is justified. However, it is necessary to spend money on marketing and research. We do not need this bill in order to do that. A lot has been said in this chamber about producers wanting the bill. I would like to read one of more than 2,000 submissions that I have received from my constituents expressing concern about this legislation. I think I am justified in reading it. It is comparatively mild compared to most of the more than 2,000 submissions that I have received. I might point out to the hon. member for Essex (Mr. Whelan) that all the representations were against the bill. It seems that someone is getting at the troops if it is said the farmers of Canada want this bill. I do not think that my constituency is much different from others. This is the letter that I received; it was in no way solicited by myself:

• (5:10 p.m.)

Dear Sir:

Eastside Uniform No. 92 held a meeting April 27 for the purpose of discussing Bill C-176. This meeting passed a resolution stating that they are opposed to government intervention in interprovincial trade and national marketing legislation embodied in Bill C-176. This resolution was passed by a unanimous vote from the well-attended meeting. The members felt that cattle and hogs should be deleted from the legislation, if passed, because of their dependence on interprovincial trade, the western market for cattle and hogs being mainly in eastern Canada.

We are sincerely hoping that you can help defeat this bill which is of so much concern to western agriculture.

Yours sincerely,

It is signed by the secretary of the Eastside Uniform. This is typical of the type of submission I have received.

The hon. member for Essex said, quite correctly, that all the members of the Ontario marketing boards were democratically elected. This is wonderful. But did he remind us that under the terms of Bill C-176, especially as first presented, the members of the national marketing council were not to be elected and would not necessarily be producers; they were to be appointed by Order in Council? It is strange he did not mention this.

In the course of the debate yesterday I heard the bill before us compared with the Wheat Board legislation. But since when was supply management provided for under the Canadian Wheat Board Act? Since when did the Wheat Board tell growers to limit production to a certain number of acres? The Dairy Commissioner has also been referred to on a number of occasions, not by government supporters, it is true. But here we really see a quota system in operation, quotas which have become rigorous and costly. It is true the commission has coped with surplus production and that as a result we are now importing butter. In fact, a lot of the small producers are out of business. I wonder what these small producers have in their thoughts this Christmas season when they hear about supply management. The Dairy Commission has not been very successful in finding markets abroad. It has been extremely successful in limiting production, there is no doubt about that.

The price of hogs has often been mentioned. I am sure the low price is blamed on the lack of supply management. That is a laugh. The blame lies with a government which advised farmers to diversify—to grow less wheat, to plant more barley and to get into hog production. Hog production can be started in a hurry. Overproduction and starvation prices have been the result. I do not think anyone can deny that the type of legislation before us will hasten the decline in the number of farms.

In Europe, and no doubt in many other parts of the world, the number of farms is decreasing at an alarming rate. Has anyone ever stopped to think that perhaps we in this country might do well to increase the numbers of our farmers, or at least to allow good young men to take over some of the present operations? It seems that all legislation nowadays is designed to hasten the decrease in the number of farmers, though in the very near future both Canada and the world could well be faced with serious food shortages. This legislation must be amended or we shall find there is a closed shop in agriculture. You can farm if you have the money, but if you do not have money then no amount of knowledge, ability or experience will enable you to become established.

Supply can be controlled on the basis of legislation of the type before us. Shortages will result and imports will take up the slack; other countries more farsighted than we have been will be happy to supply us at a price. And there is no mention, in this legislation, of dealing with imports in any way. Supply management will be costly. It will control, and thereby reduce, production. It will further reduce the number of farms. I am not yet convinced that it will in any way increase the net income of farmers. It does not attempt to deal with the real difficulty, that of combating ever-increasing production costs, lower returns and the lessening of our ability to compete in world markets.

There is another factor which has not been mentioned so far, though I am sure it will be dealt with, at least by some of my hon. friends. It is this: an increase in the cost of agricultural products will be inevitable, and everyone in this country is a consumer. I think we should be concerned about the effects on consumers of increased costs of foodstuffs.

Speaking of displaced farmers, I think the question should be asked: Where do displaced farmers go when they have lost their farms? No doubt most of them go to already overcrowded cities where, because of circumstances, they probably end up on welfare, thereby aggravating an already serious social problem. Incidentally, yesterday when the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) referred, as reported in *Hansard* at page 10783, to "a certain clause in the bill which we amended," I think he used the word "we" loosely. He wanted the bill passed in committee as it was; I do not believe he would deny this. He was talking at the time to my hon. friend from Crowfoot (Mr. Horner), the member who had moved the amendment to which he had referred in the first place, so I think he should have said "you" rather than "we". He was a little confused in his use of personal pronouns.

In conclusion, I believe the record should be set straight. The cattlemen of Canada have made it clear they do not want this type of legislation. Many representatives of other commodity groups have also found the bill unacceptable in the absence of many amendments. It is about time the government listened to these people for a change.

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, I do not enter this debate as an expert on agriculture. Many hon. members who have already spoken from both sides of the House know the industry far better than I do, but I do have a large number of farmers in my constituency—about 25 per cent of my constituency is engaged in agriculture. I have had ample time in which to read the bill and, what is more, I have had time in which to discuss it with the farm groups in my area.

The purpose of my intervention is to place before the House conclusions reached as a result of these talks with people in the constituency of Peterborough. It is very difficult for me, a layman not engaged actively in the agricultural industry, to know where the truth lies. We have heard members of this House claiming to be spokesmen for agricultural groups and presenting the opinions of those they say they represent.

• (5:20 p.m.)

It was abundantly clear from the spectacle in the House that there is no consensus. On one side of the House a member representing a western constituency opposes the bill, saying he is speaking on behalf of the farmers of his area. That speech may be followed by that of a member, also from the west, claiming to support the bill. The same thing applies to Quebec. The hon. member for Compton (Mr. Latulippe) has said that the farmers of Quebec do not support the bill, and then the hon. member for Meadow Lake (Mr. Cadieu) claimed that the Quebec farmers were attempting to foist it on the western farmers. The hon. member for Frontenac in his excellent speech said that

Quebec farmers support the bill. It is difficult to know where the truth lies.

Mr. McIntosh: You tell us.

Mr. Faulkner: I intend at least to present the views, as I understand them, of the people I represent. If they disagree with what I say today, they will be at liberty to correct me later.

My second reason for entering this debate is that I was deeply disappointed by some of the contributions made yesterday. I was disappointed for a variety of reasons, because what was said in many cases was far from the truth. In practically all cases those statements were made by members for whom I have some respect. The first contribution I shall deal with is that of the hon. member for Timiskaming (Mr. Peters) who argued—I am sorry he is not here—that this government was trying to force farmers off the farm. Incidentally, these remarks derived from an article in the Ottawa *Citizen* of December 24, written by Mr. Paul Grescoe. The bulk of the hon. member's argument derived from that particular article. The brunt of that article is as simple as it is false. It is a clear example of yellow journalism. The article argues that this government and the Department of Agriculture are systematically engaged in a plan of removing the small family farmer from the face of this earth.

Mr. McIntosh: That is what the Minister of Manpower and Immigration (Mr. Lang) says.

Mr. Faulkner: That was the position taken by the hon. member for Timiskaming.

Mr. Peters: Well, was that not the minister's position?

Mr. Faulkner: The article was written on December 24 and the hon. member's contribution was on December 28. I should like to put on record what the Minister of Agriculture (Mr. Olson) said on December 6. The press release was made available to the hon. member for Timiskaming but apparently was not available to Paul Grescoe who is less important in this debate than the hon. member. I am less concerned about him than I am about the hon. member for Timiskaming, for no doubt he will speak again. Perhaps we have seen the final article written by Mr. Grescoe. Let me quote what the minister said.

An hon. Member: Not what Grescoe wrote.

Mr. Faulkner: I will not quote Paul Grescoe; I will not quote what the *Citizen* said and I will not repeat any rumours being bandied about as to the government's intentions. I want to quote what the Minister of Agriculture said on December 6.

Mr. McIntosh: On what subject, livestock?

Mr. Faulkner: If the hon. member for Swift Current-Maple Creek (Mr. McIntosh) will listen, he will know exactly what the minister said.

Mr. McIntosh: I know. I heard him say it.

Mr. Faulkner: The minister was talking about the small farms development program. He said:

> What we are proposing is a relatively new approach to tackle a problem that has been plaguing the agricultural industries of the developed nations of the world for several decades—

[Mr. Faulkner.]

> Economic forces have driven thousands of farmers off the land and into the cities and, at the same time, have promoted the evolution of big farms requiring a high level of investment in land, machinery, livestock and buildings.
>
> While there is a need for some farm consolidation to take place, it would be unwise to allow the current trends to result in the domination of agriculture by a handful of giant corporate farms—

Mr. Peters: I agree with that.

Mr. Faulkner: That is what the Minister of Agriculture said. He goes on:

> Unless we develop new and workable programs, there are many farmers in Canada and, indeed, entire rural communities, that will be threatened if this trend should develop further.
>
> Economic studies and practical experience suggest that the family farm is the best type of farm, and it is in this context that we have developed a comprehensive program to help the small farmers of Canada to develop profitable family farms—

That is the position of this government.

Mr. Chrétien: That is our policy and it is a good policy.

Mr. Faulkner: That is precisely our position, and I have repeated it so that hon. members of this House who might have heard at second-hand the policies of this government would have a chance to be clear in their minds as to the government's policies, in order that they might explain the government's intentions. Hon. members know as well as I do that nothing in the world is easier than sowing suspicion and doubt in the minds of people who do not have access to this chamber.

Mr. McIntosh: Tell us what the minister said about Bill C-176.

Mr. Faulkner: Such people may not be clear as to what the government intends to do.

Mr. Horner: Is the hon. member talking about this bill?

Mr. Faulkner: I now want to turn to other matters. The words I quoted were said on December 6 by the Minister of Agriculture.

Mr. McIntosh: Is the hon. member sure that he does not have remarks about Bill C-259 in his hand?

Mr. Knight: Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member rising on a point of order?

Mr. Knight: No, Mr. Speaker. Would the hon. member entertain a question?

Mr. Faulkner: When I am through, Mr. Speaker, after I have outlined the government's position. That is what the Minister of Agriculture said on December 6. Let me now read from page 3 of the statement to do with the small farms development program as follows:

> When we first announced the outline of this program earlier this year, many people interpreted it as a program to force thousands of farmers off the land, a program to make the rich farmer richer and to force the poor farmer out of business.
>
> This is not the case.
>
> On the contrary, we intend to help small farmers to develop thriving family farms.
>
> Some misinterpreted our intentions and warned that our program would turn many rural towns and villages into ghost towns.

This is not the case.

On the contrary, as farmers develop profitable farms, rural towns and villages will be rejuvenated.

That, Mr. Speaker, I repeat is the policy of this government. It is the only possible policy that could attract people like myself and the hon. member for Richelieu (Mr. Côté) as well as others who represent in part or in whole rural constituencies. Anything less would be unacceptable to us, just as it would be unacceptable to spokesmen across the way.

Mr. McIntosh: What did the Minister of Manpower and Immigration say? Get to the point.

Mr. Faulkner: I will cover many points if hon. members will just be patient. I am trying to deal with the points which have been raised. I was also disappointed because of a statement made by an hon. member for whom I have great respect, the hon. member for Meadow Lake. Perhaps his comment was made in the heat of the moment. He indicated, as recorded at page 10800 of *Hansard*, that somehow this bill was being foisted on western farmers by Quebec farmers.

Mr. McIntosh: That is correct.

Mr. Faulkner: I am prepared to give the hon. member the benefit of the doubt.

Mr. McIntosh: That is correct.

Mr. Faulkner: I see the hon. member for Meadow Lake opposite. I suspect he did not intend to say that. He indicates that my assumption is correct, by nodding his head. He did not intend that at all. I accept that. The hon. member so indicates by nodding his head, although the hon. member for Swift Current-Maple Creek would deny that. He would like to indicate that the hon. member intended it. I want to make clear that a substantial number of farmers from outside Quebec support this bill. I received on May 10 a letter from Mr. Gordon Hill, president of the Ontario Federation of Agriculture. In it he said that many farmers of Ontario support Bill C-176.

Mr. McIntosh: Tell us what the Minister of Agriculture of Quebec said.

Mr. Faulkner: I do not think it is necessary to do that. Hon. members from the west have quoted editorials from the *Western Producer* which support Bill C-176. I wish to read what Gordon Hill, president of the Ontario Federation of Agriculture, said about Bill C-176:

The Ontario Federation of Agriculture, representing approximately 75,000 farmers—

That is not an inconsiderable number.

—continues to strongly support Bill C-176.

We believe the bill will provide farmers with means to extend existing provincial marketing plans to the national level. We see this as necessary for farmers to improve their incomes.

We appreciate the firm stand taken by the Minister of Agriculture, the Honourable H. A. Olson. We find him to be a man of high calibre and integrity—

Some hon. Members: Hear, hear!

• (5:30 p.m.)

Mr. Faulkner: This is not something from a loyal backbencher; I am simply quoting the remarks of Mr. Gordon Hill. It becomes progressively more interesting as we get into it. I repeat these words:

We find him to be a man of high calibre and integrity, working hard to improve the economic opportunities for Canadian farmers. We will continue to inform our members and member organizations of his dedication on our behalf.

We trust you will continue to support the Minister of Agriculture in his efforts to have Bill C-176 passed into law as soon as possible.

The point I am trying to make is a simple and straightforward one. It has nothing to do with Quebec farmers foisting something on us. I am glad the hon. member for Meadow Lake indicated by a nod that that is not what he intended to suggest. Ontario farmers are behind this bill as well.

There was a third contribution which, thank God, was the briefest contribution yesterday. It came from my friend and neighbour in Ontario, the hon. member for Prince Edward-Hastings (Mr. Hees). I would suggest that he has not read this bill very carefully, because when one reads his remarks one is not very impressed with his grasp of the bill. He disappointed me because he perpetuated the old myth and red herring which we on this side of the House have been trying vainly and laboriously to eradicate from the minds of the farmers, that is, that somehow the marketing plan in this bill will be foisted on them by the government. No hon. member, no matter how bitterly he opposes this bill, can honestly say that that is what is in this bill. There are many sections which allow producers to have a say in this scheme.

I think it was a little less than honest for the hon. member for Prince Edward-Hastings—granted that he had not read the bill and therefore was confused, but assuming he knew what he was saying—to have said what he said. It was simply to misinform the farmers on important points which we have attempted for some time to make clear. These are some of the things which disappointed me. One reason I wanted to rise today was to try in some small measure to clarify the record.

Today we had an interesting speech, as we usually do, from the hon. member for Lambton-Kent (Mr. McCutcheon) but, frankly, what he said was that marketing boards were not the final panacea for agriculture. I do not know whether that came as a surprise to his colleagues or whether some of his colleagues feel that some of us on this side of the House think that with Bill C-176 the problems of agriculture are finished. Lest anyone holds that view, let us clear up the matter immediately. No one on this side of the House has said that Bill C-176 is the panacea for agriculture. Anyone who argues that does not know what he is talking about. However, there is a world of difference between recognizing the limitations of this bill and going into a general indictment of marketing in general.

This is where I part company with the hon. member for Lambton-Kent. I think he pointed out some of the defects in marketing boards. Everyone recognizes that some are more effective than others and work more effectively for producers than others. That is a truism, but it does not dismiss the desirability of having marketing boards. I think the hon. member for Essex (Mr. Whelan) excellently pointed out some of the strengths of marketing boards. It is on that point that we on this side of the House rest our case. We can provide the legislation, and it is up to the farmers to make it work. The dairy producers and the

industrial milk shippers in my area, if the question were put to them concerning whether or not they wanted to get rid of the present system as opposed to what they had before I am sure would vote favourably for the present system.

Now I want to come to the part of the bill which is under discussion. I have supported this bill for a long time. I supported the principle of national marketing boards through three general elections. In the general election of 1968—not that this would interest hon. members opposite—it was the single, most important part of my, if you like, agricultural platform because I have believed for some time this concept is relevant to the problems faced by farmers today. I want to indicate that I am not alone in the constituency of Peterborough in support of this bill. I wish to place on record a letter from the Peterborough County Federation of Agriculture. The hon. member for Lambton-Kent knows some of these people. I am glad to see he is going to stay, because he will want to listen to this since it may influence his rather harsh criticism of this legislation. This is not what the backbenchers say; it is what the farmers of Peterborough say.

An hon. Member: When did you dictate this?

Mr. Faulkner: This is dated May 31, 1971. It reads:

Peterborough County Federation of Agriculture wish me to tell you—

That is me, and through me to you.

—they support Bill C-176 in principle and hope you may pass this enabling marketing legislation as quickly as possible.

The Peterborough County Beef Improvement Association as you know passed the same resolution at their annual meeting earlier this year.

Yours truly,

Clifford H. Johnston.

I think it has required a great deal of effort for those of us on this side who in principle support this bill and who have received resolutions of support for it to sit here and wait patiently for this House to come to some agreement. Why have we waited? We on this side have members who represent western constituencies and these members have told me—this is not the nonsense from the other side of the House—that the western farmers have fears and doubts about the bill. These members have told me that they need time to explain it to the farmers.

We on this side of the House, being sensitive on the question of national unity, not being anxious to press too hard for some of the principles of the bill which we believe are good, and not wanting to jeopardize the balance of opinion across this country, wished to allow sufficient time for the bill to be understood. However, even the most patient backbenchers begin to run out of patience, and I believe the best thing for the farmers in the west and in the east is to get this bill through, dispose of the bogeys foisted on the farmers in the east and in the west and let them see that the bill is no threat to their industry and, in fact, in future will provide them with an opportunity that is presently denied them. That is why I think the bill should be passed quickly.

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

[Mr. Faulkner.]

Some hon. Members: Carry on.

The Acting Speaker (Mr. Laniel): Does the House consent to the hon. member continuing?

Some hon. Members: Agreed.

Mr. Faulkner: Mr. Speaker, I appreciate the courtesy that has been extended to me. There is one area in which I want to register my disagreement and disappointment. It is not with this House but with the provincial ministers of agriculture. I believe it was a somewhat shortsighted act to request the elimination of the supply management feature.

• (5:40 p.m.)

If the occasion arises where a motion is put and unanimous consent is required to move such an amendment to this Bill, I am prepared to admit it because it is the consensus of the ministers of agriculture and I respect their position. That does not mean that I have to accept the substance. I think it is a shortsighted move. The principle of supply management is not being foisted on the farmers, and if it were I would have grave reservations about putting it in because clearly some producer groups have doubts about it. It was never intended that this should be the case. But there are groups, and there will be more groups in the future, which will want to exercise that option. What we are doing is putting one more step, one more obstacle, to the accomplishment of that goal by requiring commodity groups to come before Parliament to receive approval. I believe it is the consensus of the farmers in my area to have that particular section included, permissive and enabling as it is, so that they could take advantage of it after consensus was reached among the producer groups.

I want to conclude on the note that I regret deeply the decision to take out this section and make it necessary for farmers to come back to Parliament to utilize supply management, because I believe it is the heart of this legislation and it will become even more important to certain producer groups in the future. I think they should have access to it made as easy as possible. I appreciate the courtesy of the House in allowing me extended time and I urge hon. members to support the speedy passage of the bill.

Some hon. Members: Hear, hear!

Mr. Howard (Skeena): Would the hon. member permit a question?

The Acting Speaker (Mr. Laniel): Order, please. The Chair had a previous request from the hon. member for Assiniboia (Mr. Knight). I think it would be preferable if the House gave the hon. member consent to ask his question, if the hon. member for Peterborough (Mr. Faulkner) accepts it.

Mr. Knight: I am sure the Minister of Agriculture (Mr. Olson) was charmed by the fact that at least one member of the House still has some sympathy for him. The hon. member suggested that the Minister of Agriculture has a program for the development of small farms. Would he be so kind as to inform me what the definition of a small farm might be, so I can go back to Assiniboia and tell the

small farmers there whether or not they will be included in the legislation?

Mr. Faulkner: I am sure the minister will be pleased to provide that definition.

Mr. Howard (Skeena): My question is related to the previous one. The hon. member for Peterborough (Mr. Faulkner) read extracts from the press release of the minister of December 6 in which he said, if I recall his words correctly, that the government had a comprehensive program to aid small family farms, or something to that effect. Would the hon. gentleman mind giving us the details, because so far they have been hidden? Would he be prepared to tell the House what the details of this comprehensive program are?

Mr. Faulkner: If I thought that that was directly relevant to my remarks, I would be pleased to do so; but in view of the fact that it is not, and I am bound by the rule of relevancy, I cannot. But I will be pleased to explain it to the hon. gentleman privately, as well as to the other hon. member who raised the same question.

Mr. Howard (Skeena): I rise on a point of order, Mr. Speaker. Surely the hon. gentleman cannot have it both ways. He cannot quote from the speech of the minister, hold that up as a reason for support of the bill and then refuse to answer questions about the very quotation he gave from the minister's remarks. He is obviously unable to answer it.

The Acting Speaker (Mr. Laniel): Order, please. Hon. gentlemen may be permitted to ask questions, but I do not think we can allow debate to arise following the comments made by the hon. member for Peterborough. There are other members who wish to take part in the debate. The Chair is ready to recognize the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) and I do not think we should spend too much time on questions unless the House consents to it.

Mr. Howard (Skeena): It is the answers that we are worried about, not the questions.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, coming basically from a rural and agricultural section of Canada, I feel it is my duty to take part in the debate on Bill C-176 at this time. I was very interested and listened attentively to the remarks of the hon. member for Peterborough (Mr. Faulkner) and I wonder whether some of the frustrations which I noted in his comments do not stem from the fact that when he referred to the confusing speeches made by members of various parties he was really frustrated over the results of the recent elections which indicated to me that Canadian farmers in particular are unhappy with the agricultural policies of this government. When you look at the record of the votes in Peterborough in the last provincial election you find that the Liberal party had only 9 per cent of them. So I can readily understand the hon. member's frustration.

Bill C-176 had its debut originally in the twenty-seventh Parliament, at which time it was referred to as Bill C-197. The fact that we are still debating the proposed legislation two years later is a clear indication to me that the bill is poorly drafted, too controversial, unclear in its direction and too all-encompassing. A further indication of this is the fact that hundreds of letters and dozens of briefs and protests from every area of Canada have been directed to the Standing Committee on Agriculture with suggestions for a large number of amendments.

I commend the hon. member for Crowfoot (Mr. Horner) for introducing the three amendments which were grouped together and which we are debating today, namely, Nos. 1, 5 and 22, which I think are of basic importance. These three amendments do in part try to clear up some of the disagreeable features of this bill of which we and the farmers are now well aware, and thanks to the witnesses whom we have heard and to the research and industry of Her Majesty's Loyal Opposition, members of the opposition have been able to look very carefully at this bill in view of the experience we have had with the haphazard agricultural legislation produced by this government heretofore.

Let us consider the Dairy Commission program, the quota system and the fact that we are now faced with importing millions of pounds of butter in the next few months to meet our domestic needs. Let us consider the Lift program which was in fact a quota or production control policy which cost the western wheat growers half a billion dollars in loss of production income, a loss that can never be made up. Let us consider the grain stabilization bill, Bill C-244, which turned out to be the worst fiasco in farm legislation yet produced by this government.

The beef and cattle producers of this country have always been the most independent and successful segment of our Canadian agricultural industry and have always refrained from asking for any kind of bureaucratic or government interference in their industry. Little wonder that the Canadian Cattlemen's Association is deeply concerned about the bill and the effects it might have on their industry if it is passed in the present form without some reasonable amendments.

In listening to the debate on this legislation so far, I have found that members on the government side have been carried away by some success on the part of some of the provincial marketing boards, but at the same time have overlooked the many failures of some boards. They seem to think that a national marketing board would work better. What is needed is better government policies in marketing all our exportable products including those from agriculture, rather than a regressive or production control policy.

Let us remember the International Wheat Agreement which was a reasonable, global, orderly marketing policy for our western Canadian wheat. But the Liberal government was an active party in bringing about the demise of this effective agreement in Geneva in 1967. However, in Bill C-176 we are not speaking about global marketing but about so-called orderly marketing within our Canadian boundaries, cluttered up with production controls even to the extent of interprovincial barriers being set up. We have had examples of this with Fedco and the infamous chicken and egg war.

Early in this debate the hon. member for Peace River (Mr. Baldwin) set out a number of constitutional problems that must be avoided if we are to refrain from balkanizing

our country. The Manitoba producers kept their sights clear on the same issue and on the pitfalls in this bill. Thank goodness they had the good sense to develop a test case which received a history-making ruling from the Supreme Court of Canada earlier this year, I believe on June 28. I would recommend the various contributions by legal counsel given before the court in that case as valuable reading for members of the Liberal party.

• (5:50 p.m.)

The Progressive Conservative party believes in policies which encourage aggressive, imaginative marketing. Therefore, we support the establishment of marketing boards which give all producers—and all I repeat, all producers—fair access to markets. However, we do not think that Bill C-176 in its present form will do this. We believe the law should set the environment for the marketing of farm products and that such legal framework is acceptable and is the guarantor of the national interest. However, this bill would take the legal framework for the marketing of farm products out of the public arena, beyond the discipline of the BNA Act and the judiciary, and place the rule-making in the hands of bureaucrats and vested interests who essentially will be defensive regarding their own interests in the industry. In other words, this bill in its present form is constructed in such a way that it can lead to severe balkanization.

The amendments we are dealing with, Mr. Speaker, are concerned specifically with the cattle industry. I would point out that the cattle industry makes up about 25 per cent of the total agricultural industry of Canada. Here are some of the pertinent questions that cattlemen pose:

1. Where in the bill is there an inescapable assurance that a nationwide vote open to all producers of a commodity must, not may, be held before the establishment of a national marketing agency for that commodity?

2. Where in the bill are there clearly stated rights of appeal to persons who believe themselves to be aggrieved by the bill?

3. How will the farm products marketing council become "satisfied" that a majority of producers is in favour of the establishment of an agency?

4. How will Bill C-176, if passed, solve the chicken and egg war? Or how will it solve similar incidents in the future?

5. How will provincial quotas for beef be determined if an agency is established?

6. How will Bill C-176 effect improved beef prices if an agency is established?

7. How will Bill C-176 improve prices if importations of like products from the United States and low cost countries are not controlled?

8. What economic research has been conducted to establish that supply management or any of the other provisions of Bill C-176 will prove of benefit to the beef industry?

9. What will the agency and the administrative structure necessary to carry out the intent of Bill C-176 in the beef industry cost, and who will bear that cost?

10. If an agency is established for beef, will interprovincial movement be subject to controls? If not, how will the bill operate?

[Mr. Southam.]

11. Does an Ontario beef producer have a greater right to the Ontario market for beef than a beef producer in Alberta?

12. Why attempt passage of the bill when a Supreme Court ruling on the constitutionality of restrictions to interprovincial movement is imminent?

That question is not pertinent now because I have just referred to the Supreme Court ruling that was handed down.

13. What problems in the beef production and marketing sphere exist now, or are likely to exist in the foreseeable future, that may be resolved by the application of provisions in Bill C-176?

14. Did beef producers seek this bill, and do they now want it applied to their industry? Do individuals or groups have a right to oppose or resist the imposition of legislation upon them when this legislation cannot be demonstrated to be essential to the public interest? Does the government have the right to impose legislation under these conditions?

15. What are the full definitions of "enabling legislation" and of "permissive legislation"?

16. Since the members of the council are deemed to be public servants, are they required to carry out the instructions of the minister or to function in a manner consistent with government policy?

These are very pertinent questions and I believe that similar ones could be asked by other sectors of the agricultural industry. Yesterday I listened to the remarks of the hon. member for Lanark-Renfrew-Carleton when he criticized my colleague, the hon. member for Crowfoot, who introduced these amendments. I listened when he was imputing motives and I was disgusted that a man of the cloth, a man of his position, taking a seat in this House, would make statements that were so far from the truth.

I hold in my hand the front page of a newspaper which in effect consolidates three newspapers, the Carnduff *Gazette Post-News*, the issue of May 20, 1971, which has a headline reading, "Stockmen strongly opposed to proposed C-176 marketing bill." I wish to quote from it in order to indicate that it is not just one or two big operators in the stock industry who are opposed to this bill. The report in the newspaper reads in part:

> Stock growers, 200 strong from southeastern Saskatchewan, at Alameda on Friday evening, severely criticized the federal government for its efforts to include beef in particular—and pork—in the controversial marketing bill, C-176.
>
> Twenty-nine points were represented at the meeting: Alameda, Arcola, Antler, Alida, Bienfait, Bellegarde, Big Beaver, Brownlee, Carnduff, Carlyle, Carievale, Estevan, Frobisher, Gainsborough, Glen Ewen, Kisbey, Kennedy, Lampman, Manor, Maryfield, Maple Creek, Northgate, North Portal, Portal, N.D., Oxbow, Redvers, Steelman, Weyburn, Willmar, and Yellow Grass.

This covers a wide area of southeastern Saskatchewan in which stockmen, not big ranchers but people who produce top calibre beef, have registered their strong opposition to this bill. I quote this passage for the benefit of the hon. member for Lanark-Renfrew-Carleton because obviously he did not know what he was talking about yesterday. I might point out, Mr. Speaker, that the Palliser Wheat Growers' Association presented a brief to the Standing Committee on Agriculture in connection with

this bill earlier this year. I would like to quote a couple of paragraphs from it as follows:

> The Palliser Wheat Growers are deeply concerned with any farm produce legislation in Canada that attempts to assist the producer by abdicating the role of decision making to non-producers—particularly as it relates to the production and marketing of his product.
>
> Whereas we reject the principle of autocratic type marketing legislation in its entirety, we will not deal with specifics within Bill C-176, but instead we wish to spell out the trend of events that may be expected to follow if the bill is enacted.
>
> We, the wheat growers, see Bill C-176, in its present wide encompassing form, as a monolithic monster, completely devoid of reality, and totally unnecessary in the prairie region, where we as producers of agricultural products must export to survive.

I could continue, Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, the House will now adjourn until two o'clock tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, December 30, 1971

The House met at 2 p.m.

PRIVILEGE

MR. McGRATH—STATEMENT BY MINISTER OUTSIDE HOUSE CONCERNING MEASURES TO PREVENT HIJACKING

Mr. McGrath: Mr. Speaker, I rise on a question of privilege. On Tuesday and Wednesday of this week during question period, I directed a question to the Minister of Transport (Mr. Jamieson) concerning his administration of that section of the Department of Transport which is responsible for protecting the safety of the travelling public, more particularly of those Canadians who travel by air. My questions were put because of information I had received which confirmed my suspicion that anti-hijack detection devices had not been installed at Canadian airports. The information directly contravened a statement made by the Minister of Transport in this House on November 18. When I asked the Minister of Transport in this House on Tuesday and Wednesday to specify the action he had taken to protect the Canadian public in this regard, he replied on both occasions that the matter could not be dealt with in public.

Now, in a story printed in a Montreal newspaper this morning, the Montreal *Gazette*, the minister is quoted as telling reporters outside the House yesterday that "an additional 20 or 25 devices have arrived or are on the way". This is another example of the increasing tendency of ministers to refuse to answer legitimate questions in this House, but to make statements outside this House on the same day giving the information that was requested in the House.

If Your Honour confirms this breach of privilege I will move, seconded by the hon. member for Peace River (Mr. Baldwin):

> That the matter of this question of privilege in relation to the proper interpretation and to the continuing force and effect of Standing Order 5 be referred to the Standing Committee on Privileges and Elections.

My reason for this motion is that under the roster system I am denied the right to examine the minister, who is not in the House today, on information he gave outside the House yesterday which was denied in the House and then made public.

Mr. Speaker: The hon. member for St. John's East (Mr. McGrath) has given the Chair due notice of his intention to raise his stated question of privilege and, in the time available to me, very careful consideration has been given to that matter.

It does seem that the hon. gentleman's question may be broken into two parts. In the first instance, the hon. member refers to statements or utterances made outside the chamber. As the Chair stated on December 23 last, a prima facie question of privilege cannot be founded on a statement outside this chamber. I can find nothing in any authority or practice to support the proposition made in this regard by the hon. member.

Second, the hon. member suggests that when a reply to a question is refused in the House for security reasons it becomes a question of privilege when the same information is given the same day outside the House. That is a very interesting proposition, but I do not think it is founded on any precedent or practice of this House. May I refer the hon. gentleman to sections (3) and (4) of citation 181 of Beauchesne's Fourth Edition which read as follows:

> (3) A minister may decline to answer a question without stating the reason for his refusal, and insistence on an answer in out of order, no debate being allowed. A refusal to answer cannot be raised as a question of privilege, nor is it regular to comment upon such refusal. A member can put a question, but has no right to insist upon an answer.
>
> (4) An answer to a question cannot be insisted upon, if the answer be refused by the minister on the ground of the public interest; nor can the question be replaced on the notice paper. The refusal of a minister to answer on this ground cannot be raised as a matter of privilege.

The hon. gentleman may have a legitimate grievance, but that is not a matter for the consideration of the Chair. It seems to me that such a grievance can be raised in a number of proceedings or by a number of avenues available to hon. members. In particular, it can be raised during supply proceedings, where the House itself will be in a position to deal with the grievance.

I do not think that privilege proceedings should be used to supplant other recognized and more relevant procedures for the resolving of grievances.

MR. KORCHINSKI—GOVERNMENT ACTION ON NORTHERN DEVELOPMENT PRIOR TO PARLIAMENTARY APPROVAL

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I too rise on a question of privilege. The question of privilege which I raise is one of the greatest importance to all members of this House. It involves the contempt of Parliament displayed by the government in respect of the government's action as revealed in the documents published in the *Globe and Mail* of today's date and which show that the government has taken and proposes to take action with respect to northern development and the native peoples of the north without securing legislative authorization.

I will therefore move, seconded by the hon. member for Edmonton Centre (Mr. Paproski):

> That the subject matter of this question of privilege be referred to the Standing Committee on Indian Affairs and Northern Development.

• (2:10 p.m.)

Mr. Speaker: The hon. member for Mackenzie has also given the Chair the notice required under the provisions

of Standing Order 17(2). After giving the matter serious thought, I have to advise the hon. member that I would find it extremely difficult to agree that we have before us a prima facie case of privilege. Successive Speakers have been required to give a definition of parliamentary privilege. In most instances, the Chair has alluded to the definition given by Sir Erskine May which is to be found at page 42 of the 17th Edition of this author's work on parliamentary practice. The learned author states:

Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals.

Parliamentary privilege is also defined as:

The sum of the fundamental rights of the House and of its individual Members as against the prerogatives of the Crown, the authority of the ordinary courts of law—

The question is whether in the circumstances described there has been a prima facie breach of the rights and immunities of members of the House of Commons. I suggest to the hon. member and to the House that essentially the hon. member for Mackenzie is inviting the Chair to determine a question of law in respect of certain administrative actions by the government. I am unable to see how in such circumstances the Chair can be called upon to consider the matter on the basis of breach of parliamentary privilege.

I might add that even if there had been, in the opinion of the Chair, a prima facie case of privilege the hon. member's motion could not have been accepted procedurally because it proposes simply that, and I quote:

the subject matter of this question of privilege be referred to the Standing Committee on Indian Affairs and Northern Development.

This, in itself, is an indication that what the hon. member wishes to have considered is the government's administrative actions which could quite properly be considered by the Committee on Indian Affairs and Northern Development, while a matter of parliamentary privilege ought to be considered by the Committee on Privileges and Elections.

For these reasons, the Chair is not free to put to the House the motion proposed by the hon. member for Mackenzie.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

TIME ALLOCATION ORDER ON REPORT STAGE AND THIRD READING OF BILL C-176

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I wish to inform the House that the representatives of the several parties have reached an agreement with regard to the proposed allotment of time for the disposition of the report stage and the third reading stage of Bill C-176. May I say, Mr. Speaker, that the making of the motion has been preceded by consultations with the parties opposite. It is proposed that when motion No. 1 is before the House again, the government will be moving an amendment to that motion which has been the subject of discussions between the official opposition and the government, and that when the House is considering Motion No. 27 there will also be an amendment submitted by the government which has been the subject of discussions with the New Democratic Party. Also, within this motion, the rights of the Social Credit Party with regard to their wish to participate at certain stages of the debate have been fully protected.

Accordingly, Mr. Speaker, pursuant to Standing Order 75A, I move, seconded by the Minister of Finance (Mr. Benson):

That when the consideration of Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, is resumed in this day's sitting, the House shall first consider motions (1), (5) and (22), including any amendment to be proposed and, then, to any amendment that may be proposed to clause (18) of the bill, and next to motion numbered 27, and any amendment that may be proposed thereto.

At the expiry of 90 minutes, if required, for the discussion of each of the above item or items stated in paragraph (1) of this motion, every question necessary to conclude consideration of the specified item or items shall be forthwith put and any recorded division, if demanded, shall be deferred.

If the items listed in paragraph (1) are concluded prior to 10 p.m., the House will revert to motion numbered (2) and continue to consider other motions in the sequence listed on the Notice Paper.

That during the further consideration of the report stage of the said bill, no member may speak longer than 10 minutes at any time.

At 10:00 p.m., Mr. Speaker shall put forthwith and successively every question necessary to dispose of the report stage of the said bill.

After the disposal of the report stage of the said bill, the House shall proceed forthwith to the consideration of the third reading and passage stage of the said bill, and shall continue to sit until proceedings thereon have been concluded, and during such proceedings no member may speak longer than 20 minutes at any time.

Mr. Speaker, I forgot to mention one point, that is that the Minister of Agriculture will be seeking to make an amendment to clause 18 of the bill, the subject of which is well known to members of the House.

Mr. McIntosh: I rise on a question of privilege, Mr. Speaker. It arises out of Standing Order 75A which reads in part:

—there is agreement among the representatives of all parties . . . setting forth the terms of such agreed allocation; and every such motion shall be decided forthwith, without debate or amendment.

My question of privilege is to obtain from you, Mr. Speaker, a statement on the position of an independent private member in this House. Has he any status at all under this part of our Standing Order?

Mr. Speaker: The question asked by the hon. member is somewhat hypothetical. I think that if it were asked by the Speaker, perhaps it might have practical implications. If I must rule on the question asked by the hon. member, which I consider to be hypothetical at this point, my understanding is that the Standing Order has been drafted in such a way that the parties recognized as parties in the House would be the ones which would have to be recognized for the purpose of interpreting Standing Order 75A, B and C. I am not sure whether that is the way the

Standing Order should have been drafted, but certainly it is drafted in such a way that the Chair must take into account what must be considered by the House, in accordance with the practice and precedents, to be the recognized parties of the House. I appreciate the difficulty where one, three, five or ten independent members of this House are opposed to the motion proposed by the President of the Privy Council. In a way their rights would not be given the same recognition as those of other hon. members who are represented by a representative of the parties as provided by the Standing Order. My answer to the hon. member would be that I have to deal only with the representatives of existing parties as indicated in the Standing Order.

Mr. McIntosh: I now rise on a point of order, Mr. Speaker. I do so for the purpose of moving what I call a privileged motion. I move under Standing Order 24, seconded by the hon. member for Battle River (Mr. Downey):

That Orders of the Day be now read.

I would like to add, "in particular order No. 90", but if that part of my motion takes away from the first part, I will omit it.

• (2:20 p.m.)

Mr. Speaker: Order, please. After a brief consideration and consultation, my interpretation and understanding of Standing Order 75 are that it directs that the motion be put forthwith. I would think that the motion proposed by the hon. member, being a superseding motion, would have to be moved while there is a matter under debate by the House, and could not be put by way of a point of order. The hon. member himself indicated that he rose on a point of order. According to the precedents, he cannot move a superseding motion on a point of order. Perhaps later on the hon. member might have some other remedy, but at this point I doubt that his motion is acceptable procedurally.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, while I have been an interested spectator for the last few minutes, I have been wondering about one aspect of the motion which the President of the Privy Council has put. I know it is not debatable, and not amendable. I accept that. However, the hon. gentleman did make a very short statement at the beginning, prior to putting the motion, and I am simply seeking guidance with respect to it. I intend to respond very briefly to that statement, and while we are feeling our way I will put it in the hands of the Chair to cogitate whether I am entitled to do so.

Mr. Speaker: If hon. members want to allow the hon. member for Peace River to make a statement, there is certainly no objection on the part of the Chair. But again the Standing Order is clear. The Chair must be guided by Standing Order 75A which requires that the motion be put without debate. If hon. members allow the hon. member for Peace River to make a statement, I just wonder how the Chair could legitimately and equitably prevent other hon. members from making statements. However, I am in the hands of the House. Is there agreement?

Some hon. Members: Agreed.

Mr. Speaker: It is agreed that the hon. member for Peace River has the unanimous consent of the House to make a statement in response to the statement made by the President of the Privy Council.

Mr. Baldwin: My comments simply refer to the addenda which the President of the Privy Council produced in regard to the amendment which the Minister of Agriculture was going to move. This was quite correct. I simply want to say that it is our distinct understanding that the minister will attempt to secure, by all means possible, consent to putting before the House the amendment, of which we are aware, but that if he is unsuccessful, if the practices and procedures of the House do not permit this amendment by the Minister of Agriculture, and again I say that we are aware of the contents of it, there will be an undertaking given that at the earliest possible opportunity the government will introduce amending legislation to bring this about. Because we are talking about agreements on which this motion is founded, I did think I was entitled to make this very brief comment.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, first may I confirm the statement of the President of the Privy Council that this motion is before us because the representatives of all of the parties have agreed to it. I might add that the consultations, although very lengthy, have been amicable, and indeed now appear to have been fruitful.

However, on closely reading the text of the motion—and perhaps I should raise this as a point of order—I think there is one point on which we had agreed which has not been included. We agreed not only that the debate on motion No. 1 on clause 18 and on motion No. 27 would be limited to 90 minutes, but that if those were cleared and we had remaining time between that time and ten o'clock, that any other motion would be considered for only 90 minutes. Thus, the whole afternoon or evening would not be spent on one of those motions. It is true that the minister showed us the statement at about five minutes to two, but at that time I did not notice the omission. I believe he will agree with me that our agreement would be reflected more accurately if at the end of paragraph 3 these words were added:

—provided that the consideration of any such motion shall not exceed 90 minutes.

While the minister is noting that, I may say that I thought we also understood that we would use Private Members' hour for this purpose today but maybe it was not intended to put that in the actual agreement but rather to deal with it when five o'clock comes. However, I do think that the point I made a moment ago should be included in the motion.

[*Translation*]

Mr. Gérard Laprise (Abitibi): I just want to confirm, regarding negotiations which have been held this morning, that we have given our agreement concerning the motion introduced a few minutes ago.

[*English*]

Mr. Speaker: Order, please. Perhaps by consent we might allow the hon. member for Joliette to speak. This, of course, has to be done by consent because I assume we are now hearing statements under the terms of the Stand-

ing Order which would allow representatives of parties in opposition to speak in response to a ministerial statement. By consent the hon. member for Joliette; is this agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I do not wish to interfere with agreements reached this morning by the various parties. However, it was said that all hon. members have been informed by the House leaders of amendments to be introduced by the Minister of Agriculture (Mr. Olson). But I must say that I am not aware of these amendments for some reason, and if unanimous consent was requested, I should like to know about the amendments before letting the House take an unanimous decision concerning this bill.

[*English*]

Mr. Speaker: The point made by the hon. member is well taken, of course, and we will meet that very real problem whenever that kind of amendment is proposed by the hon. Minister of Agriculture (Mr. Olson). If at any point unanimous consent is required, of course, any hon. member can object, including the hon. member for Joliette.

Mr. MacEachen: May I say in reply to the comments made by the hon. member for Winnipeg North Centre (Mr. Knowles) that it is quite agreeable that this change be incorporated at the end of paragraph 3 of the motion as indicated by the hon. member.

Mr. Speaker: The motion, then, would read as follows:

That when the consideration of Bill C-176, an act to establish the National Farm Products Marketing Council, is resumed in this day's sitting, the House shall first consider motions (1), (5) and (22), including any amendment to be proposed and, then, to any amendment that may be proposed to clause (18) of the bill, and next to motion numbered (27), and any amendment that may be proposed thereto.

At the expiry of 90 minutes, if required, for the discussion of each of the above item or items stated in paragraph (1) of this motion, every question necessary to conclude consideration of the specified item or items shall be forthwith put and any recorded division, if demanded, shall be deferred.

If the items listed in paragraph 1 above are concluded prior to ten o'clock p.m., the House will revert to motion numbered (2) and continue to consider other motions in the sequence listed on the notice paper, provided that the consideration of any such motion shall not exceed 90 minutes.

That during the further consideration of the report stage of the said bill, no member may speak longer than ten minutes at any time;

At ten o'clock p.m., Mr. Speaker shall put forthwith and successively every question necessary to dispose of the report stage of the said bill.

After the disposal of the report stage of the said bill, the House shall proceed forthwith to the consideration of the third reading and passage stage of the said bill, and shall continue to sit until proceedings thereon have been concluded, and during such proceedings no member may speak longer than 20 minutes at any time.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Speaker: Carried.

[Mr. Speaker.]

• (2:30 p.m.)

AGRICULTURE

DAIRYING—CHANGE IN HOLDBACK POLICY ON MANUFACTURING MILK AND CREAM

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I wish to inform the House of an important change in the Canadian Dairy Commission's holdback policy on payment to shippers of manufacturing milk and cream. This change will further improve the returns of dairy producers.

There has been some question of the necessity of a higher rate of holdback on over-quota deliveries in a situation where butter production this year will be slightly below Canadian requirements.

The Dairy Commission has consulted closely with dairy producer organizations on this. The consensus is that if the supply management system on which the dairy industry is embarked, and which has been of considerable benefit to producers this year, is to work effectively there has to be some significant charge to discourage excess production when appropriate. However, as a special measure in the circumstances of this year the payment programs will be adjusted to allow producers a margin of deliveries in excess of their quotas before the over-quota rate of holdback is applied.

In provinces under market quotas the holdback is made from market payments to producers, based on their market quotas. This applies at present to Ontario, Quebec and, since December 1, to Prince Edward Island. In these, the adjustment will permit a producer to exceed his market quota ten per cent before the over-quota holdback is applied.

Mr. Horner: This is just election bait.

Mr. Olson: Elsewhere, the holdback is made from subsidy payments, based on each producer's subsidy quota.

If all provinces were under market quotas, the national total of the subsidy quotas would be about 70 per cent of the total market quotas. For this reason, there will be a larger allowance for over-quota deliveries where the holdback is made from subsidy payments. The adjustment will permit producers in provinces not under market sharing quotas to exceed their subsidy quotas by 30 per cent before the over-quota rate of holdback is applied.

Mr. Horner: Do not forget the sheep men. They want their subsidy back.

Mr. Olson: This arrangement will apply both to manufacturing milk and cream.

I wish to stress that this is a special arrangement for the dairy year ending next March 31; dairy producers should not interpret this as indicating that a similar arrangement will apply next year.

Mr. Horner: This announcement is being made just for the election. The minister should give the sheep men back their subsidy. They will not vote for the government unless he does.

An hon. Member: This is nothing but election blackmail.

Mr. Horner: Yes. This is election blackmail.

Mr. R. E. McKinley (Huron): Mr. Speaker, I will not go into the question of whether or not the supply-management concept should be applied to agricultural products. It appears that that concept, as operated under the Dairy Commission and under this minister, has not worked out too well.

Some hon. Members: Hear, hear!

Mr. Horner: It has been an obvious failure.

Mr. McKinley: The statement the minister made today amplifies the statement that was made about three weeks ago in this regard. I submit that if there is to be a supply-management operation in this country, it ought to come under the Canadian Dairy Commission and, as well, under the control of the Canadian dairy producer. It seems to me that much more work must be done in finding markets and the Canadian Dairy Commission ought to explore export markets for dairy products produced in this country.

I know that a great deal of money was deducted from the payments for surplus milk in order that producers could gain the markets that we now enjoy. We acquired those markets by using the producers' own money. At the same time, however, we told them to cut back production. Now we have the markets but we do not have enough product to fill the demand in those markets, and consequently the dairy producers of this country have been losing millions and millions of dollars.

Mr. Horner: Let no more small farmers be driven out of business before the election.

Mr. McKinley: May I also say that our Canadian cheese is selling well. Nevertheless, for a considerable period of time the cheese factories have encountered great difficulties. I know that factories in Ontario, and factories in other provinces as well, are having a difficult time filling the demand for cheese. This has meant losses to farmers. They could have earned extra money from exports. These difficulties, of course, have affected the smaller cheese factories which could not keep up their levels of production.

Mr. Horner: The government wants to take them out of production.

Mr. McKinley: I see that you are about to rise, Mr. Speaker. I am not supposed to speak for a longer time than the minister spoke. Sometimes I think he makes his statements brief so that we must be brief. I suppose he has done so to protect himself, ever since Your Honour's ruling on this matter.

The milk processing plants have been facing difficult times because of the shortage of milk. The markets are there for us, but now we are short of butter. We are away behind in our efforts to meet the demand. I say to the minister that his announcement allowing producers to raise their production levels before over-quota holdbacks are applied has come too late. He should not have waited until an election is almost upon us before making it. That is not the way the people of his department should operate. They should operate in a way that will be of benefit to all producers and make sure that farmers in Canada get as much money for their agricultural products as possible at all times.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we would have appreciated it if, in the statement, there had been an indication of how great the reduction in the holdback is to be. It is generally well known, I presume, that the holdback can run as high as $2.40 per hundred pounds for over-quota deliveries. This has been a serious factor in the expansion of the manufacturing milk industry. Of course, the minister's statement raises two questions. Has the holdback been too high, and is the purpose of the holdback to restrict the amount of manufacturing milk produced? This restriction has been made effective in two ways. First, that has been done by imposing a holdback of $2.40 per hundredweight and, secondly, by eliminating a large number of very small farmers in the country. That is how the supply-management concept has been operated. It is the type of management that will become available under the piece of legislation that we will be discussing later today. All this raises a problem. We must ask whether there is a close enough relationship between levels of production and the needs of the market on a national basis.

For instance, a shortage of milk has developed in Canada. So great is that shortage that we are paying to the United States at present 64.5 cents per pound, plus transport charges, for 10 million pounds of butter. There has not been such a shortage in Canada for many, many years. The shortage is evidence, of course, of the fact that the supply-management program has worked. However, it has worked at considerable cost to the Canadian dairy industry, both through the loss of small farmers and the $2.40 holdback which has been imposed. This has meant that in the area you represent, Mr. Speaker, and in other areas of eastern Canada, a number of cheese factories have had to close as well as other outlets that handle the surplus production of the Canadian dairy industry.

I suggest that the Dairy Commission should assess the present domestic and export markets for dairy products and assess, as well, what the long term needs of both domestic and export markets will be. It seems to me that, as a Christmas present to the country, the minister could, through the Dairy Commission, have allowed a number of young farmers, under suitable conditions and regulations, to make their contribution to the market at this time. It seems to me that the minister had an opportunity for allowing the small farmers to get back into the business. I am pleased to say that the Canadian Dairy Commission has given consideration to this aspect of the business in a pronouncement that it made recently. I suggest that the farmers are waiting to see how much the reduction holdback will be. We, too, will await that announcement with considerable interest.

• (2:40 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to comment very briefly on the statement the Minister of Agriculture (Mr. Olson) has just made to the House.

We are advised that quotas will be changed by 10 per cent during the winter months, that is, during the season

when production is at its lowest point. Still, I am pleased that some producers will benefit from it, although it will certainly not be the greatest number. The minister indicates it will be. He has, I am sure, data that I do not have at the present time. If such is the case, I am very happy that it was decided to do something to allow an increase in that production.

I hope that some day—that is the wish that I make—the Canadian Dairy Commission can somehow act as a thermostat in a house. In a house, a good thermostat works automatically. When it works well, it can maintain the temperature that corresponds to the needs of the household. It is automatic. It must be set properly.

I hope that the Canadian Dairy Commission will one day adjust itself to the situation in order to allow an increase in the winter production, so that the dairy industry may operate year round and not only according to the needs of the market. In this connection, I disagree with the Minister of Agriculture, because I always conceive production in terms of consumption needs. However, since consumption is dependent on purchasing power, it happens at a given time, especially in 1971, that the whole purchasing power of the people and families is considerably decreased and the demand is then lower.

I therefore suggest that we should be ready just the same to maintain a powerful dairy industry which will be in a position not only to satisfy the needs of our domestic market, but also those of the international market.

That is why it will be necessary to hasten to apply a policy which will encourage dairy producers to maintain an organization and, at the same time, to follow closely the data made available to the producers concerned, in order to be able to maintain their operations at the required level.

I am hopeful that, following the establishment of the guaranteed minimum annual income, purchasing power will be in line with the needs of the people and, at that time, the dairy industry will be able to develop, and the family farms that have been ill-treated, at least those that will remain, will be able to continue to survive and also to develop.

* * *

[*English*]

INFORMATION

NEED FOR LEGISLATION TO ENSURE RIGHT OF PUBLIC TO KNOW ABOUT GOVERNMENT AFFAIRS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to move a motion under the terms of Standing Order 43. Because of the time of the year, and the spirit of co-operation which is being shown today, I believe my motion will commend itself to hon. members, particularly as it is couched in the most amiable and uncontroversial terms.

The urgent and pressing necessity for this motion to be moved is related to the disclosure in the *Globe and Mail* today that so-called confidential cabinet documents have been revealed. The large number of these leaks and the variety of subjects covered brings into question the need to have legislation defining and clarifying the duty of the government to provide Canadians with information concerning the conduct of public business.

If consent is given—as I assume it will be—I would therefore move:

That the government, at the beginning of the next session, shall introduce legislation regarding freedom of information for the people of Canada, either in the manner set out in Bill C-250 or in such similar form as may be appropriate.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Peace River. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The motion cannot be put.

* * *

TRADE

TABLING OF REPORT ON IMPORTATION OF SWEATERS, CARDIGANS AND PULLOVERS

Mr. Bruce Howard (Parliamentary Secretary to the Minister of Industry, Trade and Commerce): Mr. Speaker, on behalf of the Minister of Industry, Trade and Commerce and pursuant to Standing Order 41(2) I wish to lay on the table of the House, in both official languages, a report on an inquiry respecting sweaters, cardigans and pullovers.

* * *

INDIAN AFFAIRS

COMMENDATION OF MINISTER ON MAKING DOCUMENTS AVAILABLE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Frank Howard (Skeena): Mr. Speaker, pursuant to Standing Order 43, and likewise taking into account the publication today of some government documents relating to northern development policy, and living in the same hope as was the hon. member for Peace River, that my motion, being a generous and friendly one, may be accepted by the government, I ask leave to move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That this House commends the government and in particular the Minister of Indian Affairs and Northern Development for making available to the public cabinet documents relating to northern development policy and expresses the hope that other cabinet ministers will see the merit and wisdom of such a course of action and thus contribute to a curtailment of unnecessary government secrecy about matters so obviously of value and interest to Canada and its people.

Some hon. Members: Oh, oh!

Mr. Speaker: I have serious doubts as to the propriety of the motion from a procedural point of view, but rather than spend the rest of the day on a procedural debate as to whether the motion should be accepted by the Chair or not, and without ruling whether it is acceptable or not, I will ask whether there is unanimous consent. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The question cannot be put.

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PUBLIC SERVICE

REQUEST FOR REMOVAL OF CHAIRMAN OF COMMISSION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, under the terms of Standing Order 43 I propose a motion on a matter of urgent and pressing necessity, one which is of interest to all members of the House.

The Chairman of the Public Service Commission is presently being used willingly as a tool of those in government who seek to subvert the merit system in the service and institute in its place hiring practices based on race, language—

Some hon. Members: Order.

Mr. Speaker: Order. The hon. member knows there have been a number of rulings that Standing Order 43 cannot be used for the purpose of making allegations which, by virtue of the nature of the Standing Order, cannot be answered. The hon. member can indicate why there is urgency, why we should dispense with the notice requirement imposed in the usual course by our Standing Orders, and then state the terms of his proposed motion. He cannot argue, or make allegations or accusations.

Mr. Alkenbrack: With all respect, Mr. Speaker, I am only giving reasons for the motion, as has been done before.

Mr. Speaker: I do not wish to debate with the hon. member, but he will appreciate that the Chair is placed in a very difficult position. I have suggested on other occasions to hon. members that Standing Order 43 should be used only in special circumstances. Standing Order 43 is there for the exclusive purpose of putting into the hands of individual members of the House an instrument whereby they can dispense with the 48-hour notice period which is ordinarily imposed on the government and others for the protection of the House and of all hon. members. When hon. members think that this protection should not be available in special circumstances, the motion can be put. But the Standing Order should not be used as a vehicle to argue a case, to make submissions or to make allegations which, because of the very nature of the Standing Order, remain on the record and to which no opportunity for a reply is provided.

Mr. Alkenbrack: My remarks will be explanatory, Mr. Speaker. I am coming to the motion itself. The Chairman of the Public Service Commission has in many cases played outright favouritism.

Some hon. Members: Order.

Mr. Alkenbrack: He has brought the high office of Chairman of the Public Service Commission under a cloud—

Mr. Speaker: Order. The hon. member for Selkirk rises on a point of order.

Mr. Rowland: I rise on a point of order to ask your advice, Mr. Speaker. Is any protection afforded by this House to a public servant against unprincipled attacks upon him to which he has no right of reply?

Mr. Speaker: That is obviously the point the Chair was making a moment ago. I really do not know how we can deal with a situation such as this when an individual from either side of the House, or from any party, seeks to move a motion under Standing Order 43 which contains allegations and accusations against, for example, another hon. member, or a member of the government, or against a civil servant high or low. The motion being under Standing Order 43, there is no possibility of anyone replying. I suppose there is always another side to any story or proposition. I think there is obviously something wrong from a parliamentary standpoint when an hon. member standing in his place makes an accusation which cannot be debated or considered under the terms of the Standing Order. I really have very serious doubts as to whether that can be done.

• (2:50 p.m.)

Mr. Alkenbrack: I am coming to my motion, Mr. Speaker. I expect it will be debated very soon. I move, seconded by the hon. member for Leeds (Mr. Code):

That this House do press the government to take steps to remove Mr. John Carson from office as chairman of the Public Service Commission, and to appoint in his place a chairman who will carry out his duties in accordance with the provisions of the Public Service Employment Act.

Mr. Speaker: Order, please. I suggest that the motion proposed by the hon. member is a very good indication that the terms of Standing Order 43 should be looked at very closely by the Standing Committee on Procedure and Organization.

Some hon. Members: Hear, hear!

Mr. Speaker: That committee is comprised of representatives of all parties. It contains very senior members. It is interested in consideration of matters which are important, such as televising our procedure, but, in my view, there are other matters which are even more important such as Standing Order 43. I invite the committee to look at the operation of that Standing Order if it is going to be used in the way it is being used at this time. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Bell: I rise on a point of order. May I ask that when this investigation of Standing Order 43 is conducted Your Honour consider the fact that it is now used prevalently because of the absence of ministers under the roster system.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I hope that the committee will consider all aspects, including the representation made by the hon. member.

Mr. Hees: There are no ministers over here yet, but just wait a few months.

Mr. Guay (St. Boniface): I rise on a question of privilege, Mr. Speaker. I do not appreciate the Whip of the loyal opposition accusing ministers of not being in the House when they have been in the House quite frequently lately.

Some hon. Members: Oh, oh!

Mr. Guay (St. Boniface): While the Leader of the Opposition and the leader of the New Democratic Party are on holidays, we are dealing with the business of the House.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please. The hon. member for Peace River (Mr. Baldwin) has the floor. We have reached the period of oral questions.

ORAL QUESTION PERIOD

GOVERNMENT ADMINISTRATION

LEAKING OF CABINET DOCUMENTS—REQUEST FOR REPORT ON INVESTIGATION

Mr. G. W. Baldwin (Peace River): Thank you, Mr. Speaker, for giving me this opportunity to demonstrate that the opposition will ask adequate questions. Hopefully, we will receive adequate replies. My question is for the Prime Minister. Is the Prime Minister able to give any better assurance than he has in the past that the investigations into the source and manner of cabinet leaks has reached the point where he can undertake that there will be no further leaks?

Right Hon. P. E. Trudeau (Prime Minister): Of course, Mr. Speaker, I cannot commit the future conduct of any individual. I can re-assert that the government is making an investigation into each one of these leaks. I asked every one of my ministers to look carefully in their department. I told the House last week that with the tons of documents circulating in the government service which are available to so many people, as long as there are crooks and people who condone crooks, this kind of thing will be happening. I do not think the opposition should be complaining.

LEAKING OF CABINET DOCUMENTS—LEGISLATION TO GUARANTEE FREEDOM OF INFORMATION

Mr. G. W. Baldwin (Peace River): I wish to direct my supplementary question to the Minister of Justice. In order that we may have some assurance that something will be done to bring an end to these leaks, is the minister prepared to give an undertaking to the House that at the beginning of the next session he will introduce legislation with regard to freedom of information, a matter which he strongly advocated outside the House?

Hon. John N. Turner (Minister of Justice): There will be a lot of priorities for House time next session, Mr. Speaker.

[Mr. Speaker.]

LEAKING OF CABINET DOCUMENTS—POSSIBLE CLAIM FOR COPYRIGHT

Hon. Marcel Lambert (Edmonton West): My question is to the Prime Minister. Will the Prime Minister seek advice from his colleagues with regard to the Copyright Act so that the government would be prepared to file a claim for copyright against the *Globe and Mail* when they publish these government documents?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid this would not only be a legal matter, but it would involve a much broader question of social impact. I think the government would have to consider not only the legal aspect of it, but all the other aspects.

CABINET COMMITTEE REPORT ON NORTHERN DEVELOPMENT—REASON FOR FAILURE TO PUBLISH

Mr. Andrew Brewin (Greenwood): A supplementary question. Will the Prime Minister say what reason there can be for failing to publish as a white paper or table in the House the cabinet committee report on a policy for northern development in the next decade, so that the public and this Parliament can know and discuss this important policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the public and the opposition want to take cognizance of everything the government is doing when it is establishing goals and so on, we think this would be a very welcome step. You just have to listen to speeches of ministers, statements made by the ministry and the policies we adopt to realize what our general goals are and what objectives this government is trying to pursue. All the time there are documents within cabinet to establish, generally speaking, the goals and objectives of this government. We do not publish all of them. We publish the policy positions and the programs which flow from these objectives. We do have guidelines, and we hope the opposition also have some.

Mr. Brewin: A supplementary question. May I ask the Prime Minister the reason for keeping secret this particular document which is of such great importance.

Mr. Trudeau: There is no reason, Mr. Speaker. I repeat, this particular document and probably dozens and dozens of other documents are of very great interest. I hope some way will be found to make them known to the Canadian public so that they will know.

An hon. Member: Isn't that lovely?

Mr. Trudeau: Yes, isn't that lovely. I am glad I have the support of the lovely member over there.

LEAKING OF CABINET DOCUMENTS—REQUEST FOR INVESTIGATION BY ROYAL CANADIAN MOUNTED POLICE

Hon. George Hees (Prince Edward-Hastings): A supplementary question. Since there have been no less than six leaks in the past six weeks, and since it appears the government has got nowhere in its investigation, I ask the Prime Minister whether the RCMP is investigating this

very serious matter or is the Prime Minister simply allowing each department to investigate?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the traditional way in dealing with this has been followed by the government, that is asking each minister to ensure that there be a complete departmental investigation before calling in the police.

Mr. Hees: As six weeks appears to be a more than adequate time to reach a solution of this matter, will the government now consider putting the RCMP in charge of this investigation?

Mr. Trudeau: I will consider that, Mr. Speaker. I thank the hon. member for wanting me to put the police on those who publish leaks.

LEAKING OF CABINET DOCUMENTS—POSSIBILITY OF MAKING GEORGE BAIN A MEMBER OF PRIVY COUNCIL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether he is considering making Mr. George Bain a member of the Privy Council so he will be sworn to secrecy before he discloses all the rest of the documents he seems to have, or does the government prefer it the way it is?

Some hon. Members: Hear, hear!

* * *

• (3:00 p.m.)

NORTHERN AFFAIRS

CABINET COMMITTEE REPORT ON DEVELOPMENT POLICY—PRIOR CONSULTATION WITH TERRITORIAL GOVERNMENTS AND NATIVES

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I have a supplementary question for the Prime Minister. Was the July 29 policy framework based on any formal and specific consultation with the territorial governments and the native people of the north, and if not, are talks now going to be held to formulate with them a framework for northern development?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the minister principally responsible, as well as various other ministers, are in consultation with the responsible authorities in the north when they have any aspects of policy or programs to implement. The Minister of Indian Affairs and Northern Development is, of course, in constant communication with the authorities in the territorial governments.

CABINET COMMITTEE REPORT ON DEVELOPMENT POLICY—POSSIBLE CHANGES

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I wish to address a supplementary to the Prime Minister. Would the Prime Minister inform the House whether or not the cabinet decision made last June on the policy for northern development is still government policy or whether the government has revoked it in the meantime.

Right Hon. P. E. Trudeau (Prime Minister): I am not quite sure what policy the member is referring to, Mr. Speaker.

Mr. Harding: A further supplementary, Mr. Speaker. I am referring to the disclosure in the newspapers, specifically the *Globe and Mail*, of a northern policy.

Mr. Trudeau: Mr. Speaker, I would have to read that paper to be able to answer the member completely, but my understanding and the explanation I received is that it was not a cabinet decision but a memorandum which was reproduced in part in that paper.

Mr. Speaker: Order, please. Hon. members have supplementaries to this question and we will return to this in a moment. In the meantime, however, the Chair will recognize the hon. member for Bellechasse.

* * *

[*Translation*]

AGRICULTURE

FEED GRAIN—MEASURES TO ESTABLISH PARITY OF PRICES BETWEEN EASTERN AND WESTERN CANADA

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to ask a question to the minister responsible for the Canadian Wheat Board.

Hundreds of Quebec farmers and producers came to Ottawa last week and made representations to the minister regarding the price spread for feed grain between eastern and western Canada. Could the minister tell us if after such representations he will very soon make a statement in the House in that respect?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I think it is generally agreed that the existence of low or distress prices for feed grains in the Prairie provinces is an undesirable thing for many reasons, including the interests of the Prairie grain producers as well as of meat producers all across this country. It is our hope to find solutions to this problem, not by spreading the distress prices further but by trying to eliminate them wherever they exist.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to ask a supplementary.

Does the hon. minister mean that he is in favour of having a difference between feed prices for consumption in the west and feed prices for consumption in the east?

[*English*]

Mr. Lang: Mr. Speaker, what I was indicating was that the problem of too low a price for feed grains in the west was a matter of real concern. There has been some recent improvement with the record sales of barley and wheat which have bolstered the prices in the Prairies. This has eased, to some extent, the immediate problem. We feel we should look at the problem, however, more broadly. Some of the solutions lie in the hands of the provinces which have jurisdiction over producer to producer sales in the

provinces, and it will be my hope to have consultations with these governments in an effort to find a solution.

Mr. Speaker: I believe the hon. member for Selkirk has a supplementary to the previous question.

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GOVERNMENT ADMINISTRATION

SECRECY OF GOVERNMENT DOCUMENTS—REQUEST FOR COMMITTEE STUDY

Mr. Doug Rowland (Selkirk): Mr. Speaker, I should like to ask the Prime Minister if he has given consideration to creating, at the next session of Parliament, a parliamentary committee of inquiry into the whole question of the secrecy of government documents, modelled on the committee which was established to look into statutory instruments and which produced such good results.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I doubt whether such a committee of inquiry will be necessary. The principles involved are very simple. Some operations must be conducted in secret if the government is to receive the best possible advice. This is inevitable. There are other subjects which can be made known to the public. As I was saying to the hon. member for Greenwood, there are some memoranda, when they have passed cabinet and been approved, which could very well be made known to the Canadian public, the publication of which would be in their interest as well as the interest of the government.

But what is lacking in the government is not a desire to make a lot of this material public, it is the time required and the ministerial time required to go through this very voluminous material and decide what should be made public and when. I am very hopeful the day will come when Information Canada will be publishing a lot of the very good work which is going on in the government.

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ADMINISTRATION OF JUSTICE

CONDITIONAL RELEASE OF YVES GEOFFROY—PRIOR CONSULTATION WITH DEPARTMENTAL OFFICIALS OR PAROLE BOARD

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Solicitor General, who has always had a good attendance record, and not just lately. May I ask the minister, in connection with the apparent departure of the convicted murderer Yves Geoffroy, who was released from St. Vincent de Paul penitentiary to get married, if the minister or his officials or the National Parole Board have had any consultations on this matter.

Mr. Speaker: Order, please. The Chair will recognize the question. It is I believe the same question as one asked yesterday by the hon. member for Joliette, although I might say the name sounded a bit different when mentioned by the hon. member for Joliette. The question will be allowed, and if the hon. member for Joliette has a supplementary he may ask it later.

[Mr. Lang.]

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, Mr. Geoffroy's wedding was authorized according to regulations of the Penitentiary Service, after consultations with prison authorities, social workers and the institution's chaplain who recommended that permission be granted.

[*English*]

Mr. Bell: I have a supplementary, Mr. Speaker. May I ask the minister if he was aware that the best man at the wedding was Raymond Denis, an old friend of the government?

[*Translation*]

Mr. Goyer: No, I was not at all, Mr. Speaker, and I do not believe any conclusions can be drawn therefrom.

* * *

[*English*]

INDIAN AFFAIRS

TERMS OF REFERENCE OF BARBER COMMISSION—POSSIBLE ENLARGEMENT—REQUEST FOR STATEMENT

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder if I might direct a question to the Prime Minister. With regard to the commission of inquiry headed by Dr. Barber relating to Indian lands, monies and the like, may I ask whether it is the government's intention to enlarge the scope of that inquiry so that the general classification of aboriginal or hereditary rights of the Indians might be a subject matter included in the terms of reference of the commission.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there have been some discussions between Dr. Barber and the ministry on this. The response generally has been, subject to confirmation by the Minister of Indian Affairs and Northern Development, that the terms of reference as set down in the order in council would not be changed but that Dr. Barber was at liberty to interpret them in the way he wanted in receiving representations from the various Indian groups.

Mr. Howard (Skeena): Mr. Speaker, may I ask the Prime Minister if he would indicate whether the Minister of Indian Affairs and Northern Development, who has been the gentleman dealing with this matter, could make a statement publicly or to the House, depending on whether the House is sitting at that time, outlining the reaction of the native people toward Dr. Barber's commission, whether there have been any groups which have appeared before him to make claims or whether in fact there has been a commission with no sort of activity because of the terms of reference.

Mr. Trudeau: Mr. Speaker, I will certainly refer the question to the minister and see if there is any statement he can usefully make at this time.

[*Translation*]

HOUSING

FORECASTS FOR 1972

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I have a question for the Minister of State for Urban Affairs.

Since federal government policy has greatly contributed to stimulating the economy of the building industry in Canada in 1971 and since statistics reveal that the year has been a record one, could the hon. minister indicate in the House whether he foresees a still better year for 1972.

Mr. Speaker: The hon. member is inviting the minister to express an opinion or make a statement, which should normally be done on motions.

* * *

• (3:10 p.m.)

[*English*]

AGRICULTURE

PROGRAM TO ASSIST SMALL FARMERS—REQUEST FOR STATEMENT—POSITION OF QUEBEC AND MARITIME FARMS

Mr. Jack Murta (Lisgar): I should like to direct my question to the Minister of Agriculture and ask him whether he has any information to give to the House on the specifics of the program for the consolidation of small farms as outlined in his small farms policy announced a few days ago.

Hon. H. A. Olson (Minister of Agriculture): The general outline of that program was made available to hon. members several months ago. There may be some amendments or modifications following agreements with the provinces with respect to the administration of the program. I will be having a further meeting with the ministers of agriculture in January when, hopefully, we will have a draft agreement or perhaps even a signed agreement on the division of administrative responsibility. But in so far as the manner in which the program will be applied to individual farmers is concerned, that is pretty well outlined in the document which the hon. member has.

Mr. Horner: Was not the word "adjustment" changed to "development"?

Mr. Murta: Because of the limitations of the small farms policy as broadly outlined by the minister, that is regarding the size of the farms involved in the plan, will the plan for consolidation be directly aimed at Quebec and Maritime farms in the initial phases of the plan?

Mr. Olson: No, Mr. Speaker; there are small farms in all parts of Canada and those farmers will all have equal access to the program.

PROGRAM TO ASSIST SMALL FARMERS—METHOD OF IMPLEMENTATION

Mr. Don Mazankowski (Vegreville): I would like to ask the Minister of Agriculture whether it is the intention to proceed with the legislation to implement the small farms development program or will the program be undertaken through the existing framework of the policies?

Hon. H. A. Olson (Minister of Agriculture): The initial stages will be undertaken under the authority that we already have from Parliament through the passage of the estimates for both this year and last year.

* * *

THE CANADIAN ECONOMY

FOREIGN OWNERSHIP—POSSIBLE PUBLICATION OF POLICY DURING PARLIAMENTARY RECESS

Mr. David MacDonald (Egmont): Six weeks ago today the Prime Minister indicated that within a week or ten days there would be some announcement concerning the publication of the government's policy with respect to foreign investment, the publication of the full Gray report plus other supporting studies. Since we have had no word in the meantime as to when we might expect these important documents and policy positions, I wonder if the Prime Minister could indicate whether it is now the plan of the government to publish these matters while Parliament is recessed.

Right Hon. P. E. Trudeau (Prime Minister): I have dealt with this question a few times since my statement six weeks ago. I did indicate the technical difficulty which prevented the material from being ready, and I indicated that most likely it would be ready toward the middle of January. As to the question whether it should be made public at that time or whether we should wait until Parliament reconvenes, we have not given complete consideration to it but I would be thankful for the views of the hon. member on that.

Mr. Baldwin: Will we see it in the *Globe and Mail* first?

FOREIGN OWNERSHIP—EXAMINATION OF POLICY BY COMMITTEE—CONSULTATION WITH ONTARIO

Mr. David MacDonald (Egmont): In view of the fact that apparently the proposal is to recess Parliament for a considerable length of time, and in view of the importance of this document, has the government given consideration to allowing a committee of the House to sit and examine these documents? Has there been any consultation with the provinces on these matters or will any machinery be established whereby there can be effective provincial consultation, particularly in view of the recent report to the government of Ontario with some very important supporting material?

Right Hon. P. E. Trudeau (Prime Minister): That is a very constructive suggestion for which I thank the hon. member. Perhaps if the government finds it advisable to publish these documents before the House reconvenes we may arrange to have a group of ministers present at the press conference to be informed of the announcements we will want to make. As to the second part of the question, there has been of course consultation with the provinces, not the least of which was the last federal-provincial meeting of first ministers when the provinces had every oppor-

tunity to state their policies on foreign investment in Canada, as well as all opposition parties.

Mr. MacDonald (Egmont): Mr. Speaker—

Mr. Speaker: The hon. member will appreciate the fact that we are running short of time. Perhaps if he has a supplementary question which can be answered briefly he could be recognized for that purpose, but we will have to try to move along more quickly.

Mr. MacDonald (Egmont): My question is for the purpose of clarification. The Prime Minister used the word "ministers". I presume he meant members. In order for them to be present in a formal sense to examine these documents, before the House adjourns this week there will have to be some reference establishing the right of the committee to sit and examine the documents. I wonder if that can be considered.

Mr. Speaker: Order, please.

Mr. Trudeau: The hon. member is correct. I did say "ministers" when I meant members. The authority which the hon. member requests is one which I do not think the government can give or deny. These documents will be made public and everyone, including the *Globe and Mail*, will have the authority to look at them.

* * *

TRADE

FARM PRODUCTS—IMPOSITION OF SURCHARGE BY EUROPEAN ECONOMIC COMMUNITY—REQUEST FOR STUDY OF IMPACT

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Minister of Agriculture. In view of a report from Brussels to the effect that farm products outside the European Economic Community countries will be subject to an import surtax as a result of the devaluation of the U.S. dollar, would the minister advise the House whether or not Canadian farm products will be subject to this surtax?

Hon. H. A. Olson (Minister of Agriculture): I read these articles only this morning but I would suppose that Canadian agricultural products entering the EEC will be subject to the same levies as farm products entering from anywhere else in the world.

Mr. Nystrom: Will the minister undertake to make a study and estimate the impact of this surtax upon the Canadian agricultural industry?

Mr. Olson: That has already been started.

* * *

GRAIN

REGULATIONS TO PROTECT FARMERS WITH CROP STILL IN SWATH AGAINST POSSIBLE LOSS OF QUOTAS

Mr. Craig Stewart (Marquette): Mr. Speaker, on December 7 I asked the minister responsible for the Canadian Wheat Board the following question:

[Mr. Trudeau.]

Because of the amount of crop still out in swath in western Canada and particularly in Manitoba, and as this grain will not be combined until spring, and because under the new quota system these farmers will not be able to take advantage of the earlier specified delivery dates, does the government intend to introduce regulations so these farmers will be protected against possible loss of quota under these circumstances?

The minister said he would take the question as notice and report to the House later.

Hon. Otto E. Lang (Minister of Manpower and Immigration): And I did so.

* * *

HEALTH

CANCER RESEARCH—GOVERNMENT POLICY ON GRANTS

Mr. Stanley Haidasz (Parkdale): I would like to ask the Minister of National Health and Welfare whether the federal government's policy is to provide grants for cancer research to the National Cancer Institute or only to individual researchers for specific projects?

Hon. John C. Munro (Minister of National Health and Welfare): We are endeavouring to move toward the objective of giving grants for specific projects. However, in relation to the National Cancer Institute—this gives me an opportunity to answer the question also put by the hon. member for Oxford yesterday—my department has granted $250,000 to that institute.

* * *

UNEMPLOYMENT INSURANCE

HALIFAX—OFFICERS LEAVING PHONES OFF THE HOOK

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is for the Minister of Labour and it is one of which I have given him some form of notice. It has to do with reports or charges that UIC officers in Halifax are leaving their phones off the hook. I wonder if he might correct that.

Hon. Bryce Mackasey (Minister of Labour): I thank the hon. gentleman for giving me notice of his question. It is quite obvious that if any employee of the Unemployment Insurance Commission anywhere in Canada is leaving the phone off the hook intentionally, he will soon be amongst the unemployed. Because of the hon. gentleman's interest in the subject I have asked Bell Telephone to ascertain, through a survey over the weekend or early next week, whether or not we have a sufficient number of telephones in the Halifax office. If more are needed, we shall supply them.

* * *

• (3:20 p.m.)

HEALTH

MULTIPLE SCLEROSIS—IMPORTATION OF NEW TREATMENT FROM RUSSIA

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I would like to address a question to the Minister of National

Health and Welfare. Is his department making any arrangements to import a new treatment for multiple sclerosis from Russia? I may say my understanding is that it has been used extensively in western Europe.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I will be pleased to take notice of that question and report to the hon. member later.

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POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—DATE OF PUBLICATION OF ENVIRONMENTAL STUDY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. In view of the fact that some 1,300 men are now working on the James Bay project and contracts are being issued monthly, will the Prime Minister inform the House when the environmental study on the impact of this project, which affects Quebec, Ontario and Manitoba, will be made public?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am informed that both governments are discussing the date of release now, and it is likely to be before the middle of January.

* * *

REGIONAL ECONOMIC EXPANSION

RELATIONSHIP OF LOSS OF JOBS IN ONTARIO TO INCENTIVE GRANTS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion. In view of the report issued by the Ontario government that in 1971 36 companies shut down or curtailed operations in Ontario costing 4,341 workers their jobs, would the minister inform the House whether his department has made any studies which would establish whether or not those lost jobs in Ontario were directly or indirectly linked to industrial incentive grants given to industries in designated regions?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, each time an application is made to the department, this aspect is taken into consideration so that we make no grant if we believe that this would result in a loss of jobs in another province.

[*English*]

Mr. Peters: As a supplementary question, would the minister tell the House what is the basis of his contention that jobs created under this program are not affecting jobs elsewhere?

Mr. Speaker: Order. The hon. member will appreciate that questions such as this are very wide in scope and normally would be answered by way of general statements on motions.

POSSIBLE REPAYMENT OF GRANTS BY INDUSTRIES IN WHICH LAY-OFFS OCCUR

Mr. James A. McGrath (St. John's East): Mr. Speaker, I wish to direct a supplementary question to the Minster of Regional Economic Expansion. Is the government making any attempt to retrieve funds paid out under the regional industrial incentives program to firms that subsequently had substantial lay-offs, and is this matter being reviewed, as I understand that about $1.5 million was paid to firms that subsequently had lay-offs?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the government's policy is to recover grants that have been made and not used for the purpose of creating jobs.

I know that we were slow in doing this in a few cases, because there was some hope that the business would start operating again. The government's policy is to do what the hon. member suggests.

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THE MINISTRY

SUGGESTED APPOINTMENT OF AGRICULTURE MINISTER FOR EASTERN REGION

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask the Prime Minister a question.

Since at the end of every year they speak about a cabinet reshuffle, would the Prime Minister consider the appointment of a minister of state for eastern Canada within the Department of Agriculture?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I thank the hon. member for having suggested that we should have an even greater number of ministers and I will consider that suggestion as an urgent matter.

* * *

[*English*]

TRADE

GOVERNMENT POLICY FOR INDUSTRIES SEEKING PROTECTION FROM FOREIGN IMPORTS

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, in the absence of the Minister of Industry, Trade and Commerce I should like to direct a question to his parliamentary secretary. It is based on the rather interesting document that was tabled today. I would like to ask the parliamentary secretary if the government has accepted the recommendation made in this document, and is it now government policy that when an industry seeks redress for cheaper imports from foreign countries the government will not grant such redress if in its opinion an alternative method of manufacturing can be economically employed?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, it is a question of whether serious injury is found or not, and in this instance the investigation showed there was no serious injury. As a result of that, the government does not

intend to take action except to rescind restraint agreements that were drawn up previously.

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CANADIAN BROADCASTING CORPORATION

TORONTO—POSSIBLE TENANCY IN NEW METRO CENTRE—GOVERNMENT ACTION

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I wish to direct a question to the Secretary of State. Has the minister now ascertained from the CBC if it intends to consolidate its activities in one place in metropolitan Toronto, and if it intends to rent the proposed transmission tower and other facilities in Metro Centre?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I know that the CBC has made representations to the government, and particularly to the Treasury Board, regarding developments of this type. I have no detail on this but as soon as final decisions will be taken I shall be pleased to inform the hon. member.

[*English*]

Mr. Ryan: Mr. Speaker, because of the magnitude of these decisions I take it that the approval or disapproval or qualified approval of the government would have to be sought. I would therefore ask the minister if he has signed such approval or qualified approval now, or if he intends to do so shortly?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I have already replied to the hon. member that the matter was being considered by the government.

* * *

[*English*]

EXTERNAL AFFAIRS

RUSSIAN NUCLEAR TEST—PROTEST BY CANADA

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. I would like to ask him whether the Canadian government has sent or will send a protest to Russia over a nuclear test which registered over six points on the Richter scale, similar to protests that it sent to the United States regarding the Amchitka test? Further, in order to prevent my rising to ask a supplementary, may I ask him whether any protests have been received by the Canadian government concerning the Russian test?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Canadian government has expressed its views very strongly to the Soviet government through ordinary ambassadorial channels, and when Mr. Kosygin was here we also expressed our views strongly. We have made formal protests to the United States about a particular test that was to take place on our doorstep. We also expressed our views for the first time to the Chinese government, after establishing relations with that government. We would have to consider whether it would be useful to protest again to the Soviet Union, since the Russians are familiar with our views.

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CONSUMER AFFAIRS

REDRAFTING OF BILL C-256—ATTITUDE OF GOVERNMENT TOWARDS OFFER OF CANADIAN CHAMBER OF COMMERCE

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a question to the Minister of Consumer and Corporate Affairs. It refers to Bill C-256. Has he received any suggestions from the Canadian Chamber of Commerce to the effect that they would like to help him redraft the bill and, if he has, will he assure the House that any redrafting will only be done by members of the public service and not by members of the Chamber of Commerce?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The answer to both questions is yes, Mr. Speaker.

* * *

[*Translation*]

REGIONAL ECONOMIC EXPANSION

ESTABLISHMENT OF COMPANY—DATE OF COMMENCEMENT OF OPERATIONS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

A press release informs us that the Department of Regional Economic Expansion has awarded a $1,165,000 grant to a company from Saint-Georges-de-Beauce in order that it may settle in Montmagny, and I wish to thank the minister for that. However, may I ask him when this company will be able to start operating in Montmagny?

Mr. Speaker: I believe such a question should normally be put on the order paper, but if the minister wants to give a short answer, I will recognize him for that purpose.

Hon. Jean Marchand (Minister of Regional Economic Expansion): I believe they may start operations in a few months, Mr. Speaker.

* * *

[*English*]

FINANCE

POSITION OF GOVERNMENT ON RELATIONSHIP OF CAPITAL GAINS TAX TO PROVINCIAL SUCCESSION DUTIES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to direct a question to the Minister of Finance. Would the minister advise the House whether the government is considering negotiations with the provinces to see whether there can be any arrangement made with respect to some mutual tax credit as a result of the capital gains tax and the extension by a number of the provinces into the succession duties field, or is Canada definitely to have an extra tax with the capital gains tax?

Hon. E. J. Benson (Minister of Finance): First of all, Mr. Speaker, the capital gains tax is a new tax. Secondly, the federal government has moved out of the death duty field, and the provinces had to enact legislation to get the amount of money they were getting previously if they still wished to have such a tax. That is the kind of legislation I understand the provinces are bringing forward. So, there will be an over-all reduction in death duties if they just raise the amount of moneys they received previously, because the federal government will not be raising the 25 per cent it received previously.

Mr. Lambert (Edmonton West): As a supplementary question, does the minister now say that the provinces will be raising their succession duty levies or extending into that field in order to maintain the same level of revenues, notwithstanding the fact that they will get their share of the capital gains tax under provincial-dominion agreements now in existence?

Mr. Benson: Mr. Speaker, this is basically a provincial matter. We moved out of the death duties field. Many of the provinces have moved into it. It is simply a provincial matter.

• (3:30 p.m.)

Mr. Speaker: Order, please. That appears to be a matter of debate between the minister and the hon. member. We have a few minutes left before the end of the question period and we should try to move on.

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AGRICULTURE

SHEEP—REQUEST FOR AID TO INDUSTRY—POSSIBLE SUBSIDY

Mr. J. H. Horner (Crowfoot): One short question for the Minister of Agriculture, Mr. Speaker. In trying to establish the goals of that department, and one realizes that the Government has received about $12 million from the tariff on woollen goods entering Canada, is the minister prepared to assist the sheep industry with some of the money received by the government from the tariff on wools because the industry is going through a very difficult period?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, assistance has been given to the sheep producers in Canada for the last ten or 15 years, and I am most anxious that they maximize their returns from the production of lamb because there is a greater market for that, which I am convinced is not being exploited in the producers' interest at the moment. We are taking active steps to improve the situation in that direction now.

Some hon. Members: Baa, baa!

Mr. Horner: A supplementary question. The minister suggested that they are taking steps to improve the situation by creating a greater demand for lamb. Does he mean that they are going to come out with a subsidy for the sale of lamb?

Mr. Olson: Mr. Speaker—

Mr. Speaker: Order, please. I suggest that is debate again.

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HONOURS AND AWARDS

REQUEST FOR EARLY RECOGNITION OF MEN OF "HMCS KOOTENAY"

Mr. D. W. Groos (Victoria): Mr. Speaker, I should like to put a question to the Prime Minister, and I hope he will agree with me that the passage of time has made it a question of urgency. I refer, Mr. Speaker, to the matter of honours awarded by the nation in recognition of heroic acts performed by its people, and specifically to impending awards for bravery to be made to men of Her Majesty's Canadian ship *Kootenay*, many of whom died performing their duty saving their ship and shipmates from even greater disaster. Could the Prime Minister tell us when these awards will be made or if not, would he use his influence to speed them up as they are now more than two years overdue?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I recognize the urgency of some action in this matter but I would inform the House that we are trying to deal with the subject in an over-all way by integrating these bravery awards with other awards which are attributed in Canada. This matter has been under consideration by the government for some time, and I hope we will be able to take action in all these regards very early in the new year.

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ROYAL CANADIAN MOUNTED POLICE

DEATH OF INDIAN AT WILLIAMS LAKE ATTRIBUTED TO BEATING BY OFFICER—REQUEST FOR STATEMENT

Mr. Lincoln M. Alexander (Hamilton West): My question is for the Solicitor General and refers to a question I asked on December 17 regarding an incident at Williams Lake, B.C. and the death of an Indian. Has the minister completed an investigation and, if so, when can we expect a statement from him? In particular, I should like to know whether the officer in question was on duty or not?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have received another report from the RCMP Commissioner and I must discuss it with him before taking a decision about the policy to be followed.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

POSSIBLE ASSIGNMENT OF BENEFIT CHEQUES TO WELFARE AGENCIES

Mr. Elmer M. MacKay (Central Nova): I have a question for the Minister of Labour. Has the minister received any reaction, officially or otherwise, from municipalities as a

result of the suggestion or proposition advanced on December 20 in this House that municipalities serve, in effect, as credit agencies when UIC payments are delayed?

Hon. Bryce Mackasey (Minister of Labour): As I mentioned in the House, Mr. Speaker, commencing on January 1, and in conformity with the new Unemployment Insurance Act, in cases of hardship resulting not necessarily from delay of unemployment insurance payments but even resulting from the legitimate four week period, an unemployed person can assign the rights to that unemployment insurance cheque to a local welfare agency and receive assistance.

Mr. Speaker: Order, please. We are running short of time. Perhaps we might try to have a few more questions before calling orders of the day. Hon. members will appreciate that even the business before us comes under a time allocation order of the House. Before we call orders of the day, we can have a few more questions without supplementaries.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—DECISION ON PROGRAM FOR COMING YEAR

Mr. John Lundrigan (Gander-Twillingate): My question is directed to the Secretary of State. Could the hon. gentleman indicate, before the House rises for the long recess, whether the government has yet taken a position or made a decision on the Opportunities for Youth program for the coming spring and summer?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I had stated that the government decisions would be taken soon enough to make an announcement at the latest on January 15. I am pleased to say to the hon. member that the program will be announced on or before January 15.

* * *

[*English*]

PENSIONS

POSSIBLE LOWERING OF RETIREMENT AGE TO AID UNEMPLOYED

Mr. Derek Blackburn (Brant): My question is directed to the Minister of National Health and Welfare. In view of the over 200,000 unemployed under the age of 25, is the government considering legislation to facilitate voluntary early retirement for Canadian wage and salary earners through a contributory plan?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, this whole area of early retirement was broached in the government's white paper on income security as a possible thrust for the future, but the government has nothing specific to announce in that particular area at the present time.

[Mr. MacKay.]

STATISTICS CANADA

ALLEGED DISCRIMINATION AGAINST ENGLISH SPEAKING EMPLOYEES—REQUEST FOR REPORT

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): My question is for the Minister of Industry, Trade and Commerce but in his absence I shall direct it to his parliamentary secretary. Last Thursday the Minister of Industry, Trade and Commerce stated that he would study alleged abuses of the function of the Official Languages Act in Statistics Canada. Has this study been undertaken and is a statement on the situation going to be made to the House this week?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the study has been completed and I can report to hon. members that there is no evidence of any discrimination. If the hon. member has more specific instances that he would like to give us we would be very happy to investigate them.

* * *

SPORTS

ALLEGED DETRIMENTAL EFFECTS OF ACTIONS OF MR. AHEARNE—REQUEST FOR RESIGNATION

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is directed to the Minister of National Health and Welfare and concerns youth in sport. In view of the dictatorial attitude of Mr. Bunny Ahearne of the International Hockey Federation and the far-reaching control he has, even to children of nine and ten years of age playing minor hockey, and his denial of their free participation in sports, would the minister take the initiative in bringing to the attention of the sports bodies concerned the detrimental effect that Mr. Ahearne's actions are having on our youth with a view to effecting his resignation?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, many of the organizations to which the hon. member refers have their own well-known views about Mr. Ahearne and nothing I could say would contribute very much.

[*Later:*]

Mr. Steven E. Paproski (Edmonton Centre): My question is supplementary and refers to the whole attitude toward hockey in Canada. I would ask the minister if he would try to sharpen his skates, take up his hockey stick, and do a little stick-handling so that we can get out of the international penalty box in time for the 1976 olympics?

Mr. Munro: Mr. Speaker, if the hon. member has any techniques to handle Mr. Ahearne, I would be pleased to listen to them.

Mr. Speaker: Order, please. We have reached the end of the question period but by consent perhaps the hon. member for Assiniboia might ask a question, and then the hon. member for Edmonton Centre.

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REPORT OF COUNCIL ON SOCIAL DEVELOPMENT—ACTION ON RECOMMENDATIONS

Mr. William Knight (Assiniboia): Mr. Speaker, I have a question for the Secretary of State. If the minister has had the opportunity to study the evaluation report of the Opportunities for Youth program, prepared by the Canadian Council on Social Development, would he consider adopting the recommendation of the report, namely, that working youth be admitted to the program next year?

[*Translation*]

Hon. Gérald Pelletier (Secretary of State): Mr. Speaker, I only had enough time to read a press account of that report, but I am anxious to read its entire contents.

* * *

[*English*]

MANPOWER

LOCAL INITIATIVES PROGRAM—LETTER FROM MINISTER OFFERING CO-OPERATION WITH MEMBERS

Mr. Lee Grills (Hastings): I should like to direct my question to the Minister of Manpower and Immigration in regard to his responsibility for the local initiatives program. Did the minister mean what he said in a letter when he stated that he wanted to co-operate with all members and keep them informed of the progress of those projects? Did he mean what he said in that letter which I have received?

Mr. Speaker: Order, please. The question is hardly in order when asked in those terms.

* * *

BUSINESS OF THE HOUSE

Mr. McGrath: Mr. Speaker, with the consent of my House leader, I would ask the government House leader if he could give us the business of the House for tomorrow.

Mr. MacEachen: Mr. Speaker, tomorrow—after midnight—Bill C-176.

• (3:40 p.m.)

GOVERNMENT ORDERS

FARM PRODUCTS MARKETING AGENCIES BILL

ESTABLISHMENT OF NATIONAL MARKETING COUNCIL AND AGENCIES

The House resumed, from Wednesday, December 29, consideration of Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, as reported (with amendments) from the Standing

Committee on Agriculture, and motions Nos. 1, 5 and 22 (Mr. Horner).

Mr. Speaker: The question is on Motion No. 1, moved by the hon. member for Crowfoot (Mr. Horner). It reads:

That Bill C-176, An Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from subclause (c) of Clause 2 all the words after the word 'agriculture' at line 14, page 1.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, in accordance with the motion that was adopted earlier today, in which there was an indication that there might be a further amendment to Motion No. 1, I now propose to move such an amendment to Motion No. 1, which stands in the name of the hon. member for Crowfoot (Mr. Horner), in order to make crystal clear, if I may borrow a phrase frequently used by the hon. member for Winnipeg North Centre (Mr. Knowles), that no agency will be established under this bill until a majority of producers want such agency for a particular product.

I might say, Mr. Speaker, that this amendment has circulated underground for a day or two and is now surfacing in the form in which I will propose it. There were consultations between the hon. member for Crowfoot and hon. members on this side of the House, and especially the chairman of the agriculture committee, and it was basically from this inter-party consultation that this amendment was developed. So with that important and considerable parentage, it ought to have free sailing in the House. I will read the amendment, which is as follows:

That Motion No. 1 of Mr. Horner, seconded by Mr. McIntosh, be amended by striking therefrom all the words following the word 'deleting' and substituting therefor the following:

'subclause (c) of clause 2 and substituting therefor the following:

'(c) 'farm product' for the purpose of Part I, means any natural product of agriculture and any part of any such product and, for the purpose of the other provisions of this Act, means

(i) eggs, and poultry, and any part of any such product, and

(ii) any other natural product of agriculture and any part of any such product in respect of which the Governor in Council is satisfied, as a result of declarations by provincial governments following plebiscites, or otherwise, that the majority of the producers thereof in Canada is in favour of the establishment of an agency under section 17 with powers relating to that product:

You will note, Mr. Speaker, that there are several distinct parts to the amendment. The first part simply says that every farm product is a natural product of agriculture, or any part thereof, for the purposes of Part I of the bill. You know that Part I of the bill is that part outlining the function of the marketing council, and it runs through from clauses 3 to 16. This bill will provide the opportunity for the council to examine the merits of establishing an agency for any farm product and to conduct research or hold hearings for that purpose. This ensures that what was in the bill will not be removed, which would have been the effect if the motion, as originally drafted, had been approved.

The next distinct part of the amendment sets out the meaning of farm product for the remaining clauses of the bill. Paragraph (i) deals with eggs and poultry products and other such products, without the qualifications we find in paragraph (ii). Paragraph (ii) deals with other natural products of agriculture, with a significant qualifi-

cation. That qualification provides that such other products of agriculture do not come under those other provisions of the bill unless the governor in council is satisfied that the majority of producers want an agency.

The amendment indicates how the governor in council is to determine the will of the majority. This must be done through provincial declarations following plebiscites, or otherwise. Finally, it should be pointed out that this requirement was not attached to eggs and poultry products because we have been advised by a number of provincial ministers of agriculture and, directly, by poultry producers that they want an agency. That is to say, agreement has been reached, I understand, with the egg producers, formal meetings having been held over a period of months to this end.

I so move that amendment, Mr. Speaker, to the motion in the name of the hon. member for Crowfoot. I hope that there will be a measure of agreement in the House, because the amendment is the result of considerable discussion and effort in finding a consensus on this particular part of the bill.

Mr. Speaker: Perhaps I ought to put the motion to the House. The President of the Privy Council (Mr. MacEachen), seconded by the Minister of Manpower and Immigration (Mr. Lang), moves—

Some hon. Members: Dispense.

Mr. Speaker: Shall I dispense?

Some hon. Members: Agreed.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, strange things happen underground and I cannot help reflecting on the last two years of work on this bill. I well remember February 25, 1971, when I pleaded with the members of the agricultural committee to change clause 2 and to make it applicable to the poultry industry only. I solemnly promised that I would assist the committee and the minister to get the bill through the House and, in the following week, to get the bill through the Senate.

Some hon. Members: Hear, hear!

Mr. Horner: The Minister of Agriculture (Mr. Olson) at that time said, "No, I want clause 2 to include vegetables." I said, "What vegetables?" He said, "Potatoes". I said, "That is strange; so far as I am aware no potato producers have come before the agricultural committee to argue the case for supply management regarding that industry." To convince the committee that I was in a conciliatory mood on February 25, I said that I would be prepared to have included in clause 2 of the bill the poultry industry and the vegetable industry, and the products thereof. The minister said that no, it was not good enough, because he wanted to include all products.

Today the government has come back to the position of spelling out that, except for eggs and poultry, all other commodities are to be governed by boards set up on a voluntary basis. Why could we not have done that right from the beginning? It is regrettable that originally the government did not treat all products alike.

Why should eggs and poultry be excluded from the general provisions of the bill? Why are the members of that industry to have no choice? I claim that the government is interfering with the rights of that industry. Indeed, a commission in Ontario this very day is studying the question whether egg producers in that province want to enter into a supply management scheme. It is trying to determine whether egg producers want quotas, whether in fact they support a marketing bill. Yet this government seeks to override that commission; the national government is saying that eggs need to come under a marketing bill, that the egg producers in Ontario need a marketing bill.

The federal government in this respect is interfering with rights of natural justice. A commission is very much like a court, and a commission is hearing the case of egg producers. Farmers and producers are submitting arguments to that commission at this very time. This government is interfering with a commission in Ontario that, in essence, is constituted like a court.

I am surprised that the NDP members in this House are prepared to go along with this. I suppose they say that these provisions are better than nothing. May I refer to something that was printed in this morning's *Globe and Mail*. The hon. member for Winnipeg North Centre (Mr. Knowles) is reported as saying that his party wants all products to be treated alike, and that is the way it should be. He was referring to the cattle industry, I believe, and the desire of cattlemen to opt out of the provisions of this bill. He said that although he does not like the proposed amendment, his party will go along with it but that they want all products to be treated alike.

• (3:50 p.m.)

He was not being very clear, because this amendment does not treat all products alike. It provides that eggs, poultry and any such products are automatically included. When it comes to the poultry industry, the government knows best. The people who are in difficulty in the poultry industry are the feed manufacturers who have invested large sums of money in various farming families in order to build up big enterprises in egg and broiler production. This bill says, in effect: We know you are in difficulty and we intend to build a great deal of security into your establishments. I say to Your Honour that the Ben Beauregards of this industry will be for ever wealthy after this bill passes. They will be wealthy for as far into the future as I can see, as will their children and their grandchildren, because the government has brought them security. We see the youth of this nation walking the streets and looking for opportunities wherever they may find them. They can go to colleges and universities. They can acquire all the knowledge they please about the poultry industry. But all this will not get them into the industry; to do that they will have to marry a rich widow, or marry into a poultry family. They will need money to get into the industry after this bill has provided for its security.

In British Columbia, if a farmer wants to increase his quota by one dozen extra eggs a week, it costs him $385. Imagine how many years into the future a person would have to sell a dozen eggs a week in order to pay for a quota which cost $385 to secure.

The prices of poultry products to the consumer will rise. Many people have accused me of being motivated during this debate by self-interest. Well, I suppose I should be

happy if this were the case because the biggest competitor to the beef industry is the poultry industry, and if prices go up in the poultry industry poultry products will be less competitive with beef. As I say, I suppose I should be happy. But I am not happy because as a legislator here I think I should be creating opportunities for the youth of this nation.

The government is proposing to build a feudal system into the poultry industry. The young people of today may be able to clean out the poultry barns for the Ben Beauregards, or be given jobs as truck drivers, hauling the products to market, as long as they bring the trucks back after they have unloaded the rich lord's products.

I hope the producers of the other products listed in the bill in paragraph (ii) do not express themselves in favour of a system of supply management which would create feudal lords in every other area of agriculture. If they do, those who are not born wealthy or who do not marry into a wealthy family will not be able to pay for the quota which alone will enable them to operate successfully. The others will live in a state of serfdom.

Some time ago I was reading Peter Newman's brilliant book "Renegade in Power". The author referred to people who were "well connected" and "well born", and I did not quite understand what he meant. I scratched my head over that one. How does one get to be well born in the country of Canada? The expression came from the old country, and I learned later that Peter Newman comes from the old country. If this bill passes there will be well born people in this country. They will be well born because they will be born into protected, secure empires. I want no part of that in Canada.

Some hon. Members: Hear, hear!

Mr. Horner: People will no longer have an equal chance in the poultry industry if this bill passes. This will be to the shame of every member of the House. Let them live with it. Let the present Minister of Agriculture (Mr. Olson) live with it. He will not be in politics long. Today, youth may accept the position. They may do so tomorrow, or next year. But in the years to come they will not accept it; they will not accept what this bill is doing.

Mr. Mark Rose (Fraser Valley West): I was impressed by the flamboyant rhetoric of the hon. member for Crowfoot (Mr. Horner). However, I began to wonder while he was speaking whether or not he was speaking against his own amendment. I thought the amendment had been moved by the hon. member for Crowfoot and seconded by the hon. member for Swift Current-Maple Creek (Mr. McIntosh) and I cannot understand why he should speak so strongly against what appears to be his own idea. He may have an opportunity to explain this to us later on, because I am sure we are going to hear from him again. And again. And again.

What we are dealing with here is a face-saving device which affects at least three of the parties in the House. The hon. member for Crowfoot and his hon. friends have been able through their efforts to secure the removal of the term "cattle and calves" from the bill and substitute a euphemism known as natural products of agriculture. The hon. member for Crowfoot spoke against supply management, yet there is nothing in the amendment which even mentions supply management. This is but a further example of the technique of setting up a straw man. His argument really had no substance, but it was full of sound and, I also noted, contained a good deal of fury.

The legislation before us is called national farm marketing legislation. I am not so sure that it is. It has all the earmarks of national farm marketing legislation but I suspect that in our compromises, our face-saving, we have severely emasculated the bill. I am concerned about this because the party to which I belong has been four square in favour of national marketing legislation for at least a generation. It is disappointing to us that the bill should come to us in its present form. Incidentally, I do not think the minister himself is too displeased with the decision to remove the term "cattle and calves" from the bill because he represents a cattle constituency. But he and other MPs have been subjected for over a year now to a great deal of static from the poultry industry which wants this bill desperately therefore it is essential that we deal with this legislation with the utmost dispatch.

• (4:00 p.m.)

From the point of view of members of our party, there is a subsequent amendment which establishes the historic trading pattern for an "agency" in the poultry business that contemplates market sharing or a quota system. I, personally, am supporting the bill as I am supporting the amendment before us. I therefore will not speak against the amendment with such force as the mover of that amendment.

I support the bill because I represent a constituency having a large poultry industry. In the past year I have received representations which indicate that the people in that industry desperately need this legislation. They need it because the whole industry cries out for relief from the surpluses created in one region and dumped into other regions in Canada. The defence of that practice was that interprovincial trade barriers were developed by various provinces in order to protect their own poultry industries from out of province threats. Broiler surpluses are not usually caused by the individual farm owner, but by a large integrated operation sponsored in most cases by a wealthy feed company that can afford to lose money on their ultimate product, broilers, in order to make money on feed. They do this through a kind of contractual operation in which the farm owner is really the serf of the feed company. He, his wife and children work to produce this product at times for 10 cents a bird.

As the hon. member for Crowfoot (Mr. Horner) ably pointed out, I am aware that when we support this bill we may well be serving the big integrated interests as well as the independent poultry producers. As the hon. member suggested, we may well be locking them in to lucrative positions for years.

If any issue in this Parliament were black and white, things would be very simple, but they are not. They are not red either.

Mr. Horner: You have to aim for gold.

Mr. Rose: The difficulty we face in dealing with this issue is that we may serve one interest which we would like to support and at the same time serve another with which we would rather have no part.

In their brief to the Minister of Agriculture (Mr. Olson) on November 22, the provincial ministers took great pains to point out that the independent farm operation is the kind of operation we should be supporting. Independent producers should be getting the benefit of any kind of legislation, subsidy and support, but not the integrated operation or the factory farm operation which needs no help.

I think it is obvious that if we base supply-management quotas on existing production, and if that production or the bulk of it is in the hands of the integrators, supporting this amendment means we are supporting the integrators at the same time. It is not a black and white decision. We take this position on this bill reluctantly for the misgivings I have outlined.

We should be well aware that words of praise for C-176 may come back to haunt us because the bill is not the solution to Canadian agriculture. This is far from the be all and end all to save the particular independent agricultural unit in this country. Bill C-176 may not stop the population drift to the cities. It may not help the marginal operations on which there exist very few opportunities for young people to carve out a career. It may not prevent the drift from an independent, self-reliant family situation in a rural setting to a tenant of the urban high rise.

This bill is very limited in scope. It has an urgency about it because of the state of the poultry industry. That is about as far as we can go. We should also remember that if we pass this amendment and this bill, there are several other steps fraught with danger and barriers to be taken before any kind of marketing agency, or marketing plan resulting from that agency, can become a reality. It will be necessary to have a plebiscite and all ten provinces must agree. If all ten provinces do not agree, constitutionally there is nothing to prevent the province that opts out from insisting on its constitutional rights to ship into the controlled market area. The success of Bill C-176 then really depends on the co-operation of all the provinces if it is to work.

The bill before us was motivated by an attempt on the part of the government to avoid a constitutional crisis created by interprovincial trade barriers. The government dilly-dallied for months rather than assert federal authority against interprovincial trade barriers.

In conclusion, may I remind the hon. member for Crowfoot of one other thing. He is concerned about the trend to bigness in the poultry industry. This trend is not confined to the poultry industry; it also applies to the cattle industry. The greatest objection we have to this particular bill is that cattle are no longer specifically named because of what I regard as an unethical kind of lobby prompted by the big cattle interests.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. Pursuant to the order made earlier today, his time has expired.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to say a few words about this amendment apparently designed to bring some change to the first draft of the bill, but which, in fact, does not change much.

When the hon. member for Crowfoot (Mr. Horner) moved the amendment, I was hoping that it would be more explicit. In that part of the clause with which the amendment deals, we read:

"farm product", for the purpose of Part I, means any natural product of agriculture and any part of any such product and, for the purpose of the other provisions of this Act,

That means that the words "beef", "veal" and "related products of beef and veal" are kept in the bill. In short, nothing is changed. That shows, however, that the act does not use the words "to require that beef producers", "to require that veal producers" be members of a marketing agency, or does not impose a marketing agency on them.

The amendment also says, and I quote:

—any other natural product of agriculture and any part of any such product in respect of which the Governor in Council is satisfied, as a result of declarations by provincial governments following plebiscites, or otherwise, that the majority of the producers thereof in Canada is in favour of the establishment of an agency under section 17 with powers relating to that product;

The words "or otherwise" are not properly used here. What is meant here, I believe is that, under the terms of the act, a small group of producers who are more active than the others could choose to be governed by a marketing agency even without a plebiscite. In fact, the first amendment proposed by the member for Crowfoot (Mr. Horner) did say, and I quote:

following plebiscites.

It did not say "or otherwise" or else I misread it. That does not improve the bill right now, I think, and producers are still liable to fall under the jurisdiction of marketing agencies. Should there appear to be a majority, the producer of a certain commodity will have to fall under that jurisdiction.

I will now refer to eggs and poultry. All hon. members know that this bill will not solve the egg and poultry problem because if ever such marketing exists the legislation under consideration will probably curb dumping between provinces since all of them will have to come to an agreement. However, this will not help the small producer. He will have to produce under quotas and the integrated operator will then come into the picture. Normally, the big producer having enough money to buy quotas will purchase his neighbour's operation because he prepares the feeds, the grain himself. He is in position to do it, he has all that is needed to do it. So, he leaves no profit to anyone but himself; he will buy the operation of the small producers who are in a difficult financial position. He will buy quotas of small producers and this way, big producers will be the only ones in business as is the case for instance in the southern part of the United States where there are exceptionally big hatcheries. The same person produces eggs, runs the hatchery, raises chickens and operates the slaughter-house and the supermarket.

• (4:10 p.m.)

[*English*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I wish to

say something on this amendment since I represent a riding in which there is a great deal of livestock production. At the same time it is an area of the country that has had a special experience in the field of marketing legislation inasmuch as the B.C. tree fruit industry has come under marketing legislation for a period of 30 or 35 years.

During that time the people in my area of the country have learned a great deal about marketing legislation. The implementation of this legislation has not always been completely successful but it has served to create an orderly condition of marketing which, in general and by and large, has been beneficial to the fruit growers of British Columbia.

I believe it has also been beneficial to the consumers of Canada in that it has placed before them a high quality product offered under the best of conditions. This product has been marketed under attractive conditions all over Canada and around the world because of the ability to arrange orderly marketing in a way in which individual producers could never do.

However, I have been concerned about the inclusion of livestock in this bill because many livestock producers in my area have expressed their concern to me. After studying the provisions of the bill it has become obvious to me that there need be no real concern. I find it very difficult to conceive of a situation in which livestock producers would be forced into some kind of a marketing scheme which they did not want.

There are too many steps and too many procedures along the way which must be followed in order to make it possible for any group of producers in Canada to force their opinions upon all the producers in Canada. When we examine the steps which must be pursued, such as the hearings, the votes, the provincial approval, the approval of the board and parliamentary approval, I believe it is impossible to conceive of all those steps having been gone through with any sizeable number of producers being opposed to inclusion under the provisions of the bill which apply to livestock and other commodities which might at some time in the future come under these provisions.

I am a little concerned that perhaps the steps and the controls are so rigid that when the producers of some commodity are anxious to be brought under the provisions of the bill the proceedings may be so cumbersome that it may be impossible for them to go through all these lengthy proceedings in time to obtain benefits under the bill. So I am satisfied that the livestock producers of Canada and of my region are very amply protected for that reason, and I believe I can in clear conscience support the bill, particularly as it is amended at the present time.

There has been some suggestion during the course of this debate that this bill would not cure all the farm problems in Canada. I would certainly be the first to say that is true. There is no one bill that would cure all the farm problems in Canada. I want to say categorically, however, that I deny the allegation made in this House during the course of this debate that it is a policy of this government to force people off their farms. That has been said over and over again and I want to say that it is not true.

It is the policy of this government to assist the farmers to stay on their farms and to provide some assistance to them if they should be forced because of economic conditions to leave. But through such measures as farm credit insurance, crop insurance and many other forms of assistance and the now recently announced programs of the Minister of Agriculture (Mr. Olson), an effort has been made to make it possible for these people to stay home. Despite all these programs I am concerned that there are still economic conditions which exist here in Canada and around the world pertaining to agriculture which make it difficult for small farmers to stay on their farms.

I should like to see consideration given at some time in the near future to the possibility of establishing something that we have spoken of from time to time, namely a guaranteed annual income in the field of small farms in Canada. Small farms do represent a valuable social unit. They provide a valuable place in life for people who do not want to be forced to adopt city life. I sympathize with hon. members on all sides of the House who have made statements to the effect that many small farmers, because of economic conditions, are being forced into the cities against their will.

Very often, because of age or lack of training, many of these people who have been involved in farming are forced on to the welfare rolls. For this reason I believe it is reasonable to suggest that in respect of these farmers it would be more economic and socially desirable to provide them with some form of guaranteed annual income. It is far better to keep these people on the farms with a small guaranteed income, plus what they may be able to obtain from their farms, so they can lead the kind of life they want to lead. Perhaps it would not be possible for them to live as well financially as their counterparts in the cities, but they would live as well socially. They would have the satisfaction of leading the kind of life they had been accustomed to rather than having to move to the cities. So I should like to propose to the Minister of Agriculture and to the government that some kind of a guaranteed annual income be considered for people on small farms whose farm units are not economic. Because of the economic benefits available to farmers and people in rural areas from the food they produce, and because other costs may be lower, I suggest these farmers could be aided with a comparatively small amount of financial assistance which would make it possible for them to stay on the farms.

• (4:20 p.m.)

I hesitate to suggest a particular amount but I mention the figure of $3,000 a year as a basic income for them. I suggest that with such assistance many more small farmers of Canada might be able to stay in the rural setting which they like so much. I suggest that this would be a valuable thing for Canada because of the social advantage in having the rural communities in Canada populated by people who want to be there.

I find it possible to support this bill, particularly with the new amendments, in so far as it affects the livestock industry. I am most happy to support it in the way it is amended. I am satisfied that the livestock producers of Canada are protected in the way that they have indicated they want protection. I am satisfied that the livestock producers in my constituency will not be forced into a

marketing plan of any kind unless they are clear in their minds that that is what they want, that conditions in the industry at that time indicate to them that it is to their benefit, and they express such opinion clearly to the government of their province, to their own livestock organizations, to their elected representatives in parliament and to the government of Canada.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, according to the announcement this afternoon this debate is rapidly coming to a close.

An hon. Member: Good.

Mr. Korchinski: Somebody said "good". I wish the hon. member would reflect on what this Parliament is passing. The title of the bill is the National Farms Products Marketing Council. I suggest that the title should more properly be "National farm products marketing and farmer control council". What this Parliament will do if and when it passes this bill—and I presume it will pass because of the government majority—is to confine production to a limited few. It will license those who will be in production.

The hon. member for Essex (Mr. Whelan) told us the other day that he has been working on marketing boards and has a quota. That is fine and dandy; but if anybody wanted to get into business once these agencies are set up, he will not have an opportunity to get on a board because the agencies will be set up on the pattern of the Dairy Commission. No one can tell me that the Dairy Commission has not weeded out small farmers, and the denials that have come from members on the other side mean nothing to those who have been put out of business.

The Minister of Agriculture (Mr. Olson) made a deathbed repentance. He made an announcement today, as he did several weeks ago in preparation for an election. Before the next election he will tell us that subsidies will be available, but these subsidies will be available only to those people who are still in production.

Mr. Whelan: I rise on a point of order, Mr. Speaker. The hon. member said that the marketing boards to which I belong are on quota. This is not so. New producers come on to the marketing board to which I belong and others leave every year. It costs nothing to get in and out of the programs to which I belong.

Mr. Korchinski: The hon. member himself knows that he is under contract. They will not throw the established people out, or is this the intention? What has happened with the Dairy Commission? Hon. members know that in the last five years since 1966 '60,000 quota holders all across Canada have been dropped, 27,000 of them in western Canada.

Why do we protest so vociferously against this legislation? It is because we know what happened under the Dairy Commission. In Saskatchewan 10,000 farmers were dropped, in Alberta 10,000 were dropped, and in Manitoba 7,000. Where will these quotas go? A look at any projection of population trends will reveal that by the year 1980 Ontario's population will increase by one and a half million people. Quebec will have an increase of one million, one hundred thousand and the three prairie provinces will have an increase of only half a million. So where will the quotas go? Do we have a western representative on the Dairy Commission? No. Will we have one? No.

Obviously, the production will go where the population is, and that will cause a big argument. It will be argued: Why not save freight? What will happen is that they will go out of business. They want to get the cattle in. Now hon. members can understand why we protest. We have Lift and other programs, and we have quotas under the Wheat Board. If anybody tells me that we will have a quota which will make us suddenly rich, let me tell him that nobody ever sold grain when the Wheat Board quotas were low.

Farmers protested about this and every member here heard question after question being raised, and, had delegations come to him. Only when quotas were raised and those people could sell their products openly did they cease protesting.

The hon. member for Crowfoot (Mr. Horner) clearly indicated what will happen when this bill passes. If you are born lucky and are in production, that is fine and dandy; but if not, then you will not be able to get a licence, and when you cannot get the licence you cannot get into production. At least with the Wheat Board, if you produce anything over and above the amount it can be sold, but under this bill you will have difficulty selling. Supply management is fine for strawberries in British Columbia. It may be fine for certain products in certain regions. I do not argue that provincial organizations may be able to work well. But when you consider regions such as the Annapolis Valley in Nova Scotia, or the Kootenays in British Columbia, they will not have the same markets. They do not need national organization because they function very well under provincial organization. This does not bother me in Saskatchewan because my crab apples will fall off the trees anyway, or the kids will eat them up; but I will not be in the business of selling. I do not need an organization all across Canada. With a product like cattle which can be produced all across Canada, there is a diversity of interest. Now both cattle raising and grain growing are restricted. There is work in industries in central Canada, but what will we do in the Maritimes or in the Prairies?

Marketing boards are fine. But when it is suggested that this proposal constitutes a marketing board, I say that that is deception. In fact it is a farmer control board. At no time will I be prepared to accept a ruling which comes from a few bureaucrats. There are several ways in which one can go broke very quickly. The first way is to gamble, the second is to spend money on women, and the third is to listen to experts. Gambling is the quickest way, women are the most fun, but listening to experts is the surest way. A group of experts will tell us, as they told us in the case of butter, that they know exactly what will happen. This year we have had to import butter from the United States, although the experts told us that they knew in advance what the requirements would be. Even with all the manipulation and computers that we have in this country, they could not foretell our needs. Nor could they prod people into production. We had to import. There are no import controls so these people could decide to unload their products here, unless this constituted dumping, in which case there is appropriate legislation to control it. This bill will do nothing for these people. All we will have

is a constant struggle among the different regions in Canada. There will be litigation before one court or another, depending upon whom the minister selects to serve on the council. What say will a small region have in such a matter? What say will a small island like P.E.I. have, even though it is very much dependent on agriculture? What say will it have in comparison with a region that may include Ontario and Quebec?

• (4:30 p.m.)

I can well understand members from Ontario and Quebec saying that this legislation is fine for them. But it is idle for them to talk at the same time about unity. Surely they cannot be that short-sighted. They should be able to see a little farther than 50 or 100 miles out of Ottawa in either direction. They should be able to see clear to the coast, to the west and to the east.

Hon. members opposite argue that agencies will not be established until plebiscites are held. Let them remember there are the words "or otherwise" which must be considered in this context. This might simply mean the minister receiving a letter requesting the establishment of an agency, as may have been the case with poultry and eggs. If the price of a commodity is too low, the authorities may decide to set up a board, and all they will require is a letter asking them to do so. This does not mean that all farmers will have a chance to express their views.

The Farmers Union in Saskatchewan says it represents farmers. I suppose it represents a certain number of farmers. I know thousands of farmers who do not belong to that or any other union. But supposedly this union is speaking for them, and if it writes to say that it wants an agency established, does this mean that the producers have had an opportunity to express their views?

The hon. member for Lanark-Renfrew-Carleton (Mr. McBride) suggests that there is some guarantee with respect to the holding of a plebiscite, but I do not see any such guarantee here.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member but his time has expired.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, early in this debate I want to deal briefly with some of the comments that have been made because I believe it is a long time since I have heard such vicious terminological inexactitudes respecting the provisions of this bill, from both the hon. member for Crowfoot (Mr. Horner) and the hon. member for Mackenzie (Mr. Korchinski).

The hon. member for Crowfoot said we were cutting the rug out from under the egg producers in Ontario because they are now in the process of deciding whether they want to set up an egg marketing body under provincial enabling legislation that has been on the statute books of Ontario for years and years. Mr. Speaker, passage of this bill does not set up any marketing agency, and those hon. members know it very well. If they want to be the least bit honest they should admit this. This is enabling legislation of the kind which has been on the Ontario statute books for years, and it does not interfere in any way, shape or form with what is taking place there.

I know what the public debate in Ontario has been about, and so does any other hon. member who has taken time to listen. The producers generally are in favour of having a marketing agency, so that they can have some influence on orderly marketing with respect to those products in Ontario, providing that the same marketing system is applied across the country on a national basis. But they are not in favour of setting up a board that will restrict their production and at the same time allow great quantities of the commodity they produce to come into Ontario and not be subject to the same rules. It seems to me it is about time a little bit of honesty was shown by members of the opposition with respect to the provisions of this bill.

Mr. Horner: We believe in one Canada, not ten.

Mr. Olson: One point has been made over and over again by the hon. member for Mackenzie. This is with respect to the false allegation that there has been some quota subsidy, or eligibility subsidy quota, transferred from the prairie provinces to other parts of Canada. That is absolutely false.

Mr. Korchinski: On a point of order—

Mr. Deputy Speaker: Order, please. I will recognize the hon. member, but he should wait until the Chair recognizes him. The hon. member for Mackenzie on a point of order.

Mr. Korchinski: Mr. Speaker, I should have said on a point of privilege. I did not say that there was any transfer under the Dairy Commission. I said there was a drop in the quota eligibility in the Prairies.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: It appears to me that the hon. member for Mackenzie is making an explanatory intervention, and I will hear him for a moment or two.

Mr. Korchinski: What I did say was that there was a drop of 60,000 eligible quotas all across Canada. I said there was a 27 per cent drop in western Canada. I did not say there was a transfer.

Mr. Olson: Mr. Speaker, the record will show what the hon. member said. A number of producers have dropped out of subsidy quota eligibility, and for a number of reasons. One of the major reasons was because during 1967 and part of 1968, when there were reasonably good returns to grain producers on the Prairies, a lot of farmers dropped out because they fell below the 420 pound minimum. Here again I wish hon. members opposite would state the facts.

The action we took a couple of days ago in reinstating those who continued to ship, even though they had fallen below the minimum quota, in my view is justified. But there are in fact only a very small percentage of those who fell out of the quota eligibility who are still shipping, and of course if they do not go back over the 420 pounds they will not be reinstated.

One of the amusing things about all this is shown in the contradictions in the arguments of hon. members opposite. The hon. member for Crowfoot says that after we set up this system everybody who has a quota will get rich. Then the hon. member for Mackenzie comes along and

says that anybody who thinks he will get rich under this scheme has another think coming.

Mr. Korchinski: Anybody who has a small quota.

Mr. Olson: Seriously, Mr. Speaker, this legislation stipulates how agency members will be named. They can be elected or otherwise appointed. It also says that if producers wish to have a plan of supply management they themselves, through their elected or appointed representatives, will decide who gets quotas, will decide the maximums and the minimums of those quotas, and will also decide the rules for new entrants to the quota allocations. This is what the hon. member for Essex (Mr. Whelan) pointed out quite clearly. This is the way it operates. In fact, it is operated by the producers.

What is undeniable is the fact that this bill is going to give those producers of commodities who wish to take advantage of its provisions a new influence in the marketing of their products in the market place.

Mr. Lambert (Edmonton West): And to hell with the consumer.

Mr. Olson: Hon. members opposite are opposed to farmers having a greater say in the marketing of their products. The farmers across the country are beginning to realize that the kind of action that has been taken has denied them that right to manage their own affairs.

• (4:40 p.m.)

Mr. Peters: You did not even have producers on the board; the committee was responsible for that.

Mr. Horner: Now tell us about the plebiscite.

Mr. Olson: I do not want to excite the opposition by pointing out the very, very important and beneficial results that can come from this bill. Let no member in this House forget that we have reached the stage in public debate, not only in this House but all over the country and amongst the provincial governments, where all ten provincial governments agree that this is a good bill, that it is an essential bill and that it ought to have speedy passage.

Some hon. Members: Hear, hear!

Mr. Horner: I rise on a point of order.

Mr. Deputy Speaker: The hon. member for Crowfoot is rising on a point of order.

Mr. Horner: The hon. minister, I am sure, would like to correct his last remark to the effect that all ten provinces agreed to this bill, that it is a good bill, and that all ten provincial governments of Canada want this bill. Mr. Speaker, they may want a version of it, an amended form of it, but they do not want this bill.

Mr. Deputy Speaker: That is a matter for debate, of course. The hon. Minister of Agriculture.

Mr. Olson: It is a point for debate and, as usual, the hon. member for Crowfoot is wrong because the communiqué that was issued following the meeting of ministers

referred to the speedy passage of the bill now before Parliament, and that is this bill.

Mr. Horner: Who issued the communiqué?

Mr. Lambert (Edmonton West): That is your own communiqué.

Mr. Olson: Why don't you call Bill Stewart and ask him if he was there when it was put together? Why don't you ask the minister of agriculture of Alberta if he was there when it was put together? Because he was.

I wish hon. members would be quiet while I finish my speech, Mr. Speaker, as I think I only have three minutes left. It is an important day for the agricultural community in Canada, in my view, when we have all 11 governments and legislators—

Mr. Horner: It is a sin and it should hang heavy on your head.

Mr. Olson: —agree on a bill that will require delegation of authority from both levels of government if it is to operate to the benefit of all farmers in Canada.

Some of the problems that we have encountered over the past weeks and months with respect to getting to this stage will probably be looked back at in wonder from time to time. People will ask what all the fuss was about. I take the word of the hon. member for Crowfoot that the subamendment before us now will satisfy some producers, but I have to remind him that if he read some of the other sections of the bill he would find that the provisions of this particular amendment appear in one or two other places. The provisions were already there.

Mr. Horner: I should know; I put them there in committee.

Mr. Olson: All this, of course, will come home to the farmers and they will realize that this bill could have been passed a long, long time ago. The farmers who want it, who need it and can find some benefit from it will fully realize that the delay that has cost them some money—

Mr. Horner: It is your fault.

Mr. Olson: —could be laid at the doorstep of those people who are responsible—and they are all over on that side, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Richmond rising on a point of order.

[*Translation*]

Mr. Beaudoin: I rise on a point of order, Mr. Speaker.

If the minister agrees, would you allow him to answer a question in order to enlighten me on a few words of the amendment?

[*English*]

Mr. Deputy Speaker: The Chair would have to ask for the unanimous consent of the House. If there is such consent, if the minister wishes he could respond. Is there such consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, within the terms of the amendment, could the hon. minister say how he interprets the words:

—any natural product of agriculture—

[*English*]

Mr. Olson: Mr. Speaker, I do not really believe that I should be giving a legal interpretation of any words in the bill at this point.

Mr. Horner: Is it not crystal clear?

Mr. Olson: Yes, it is crystal clear to me. The words, "any natural products of agriculture and any part of any such product" mean the products that are produced in agriculture—any state of being in its natural form, I suppose, before it is processed in any way, whether a little processing or a lot of processing is involved. That is why we use the words "products of agriculture in natural form," plus "any part thereof". This bill was not intended that its provisions were going to follow through all of the products of agriculture in their most refined, processed form. That is why we talk about the natural products of agriculture and any part thereof.

[*Translation*]

Mr. Beaudoin: Then, would the hon. minister—

[*English*]

Mr. Deputy Speaker: Order, please. With respect I hope that all hon. members will remember that we are working under a time limitation, an order limiting speeches to ten minutes. I did ask consent for one question but the Chair would hesitate to ask hon. members to consent again since other hon. members are waiting to speak.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I do not intend to take up much time speaking on this amendment; I simply wish to move an amendment to the motion already before the House. In passing, however, might I say that I have listened to the Minister of Agriculture (Mr. Olson) use the term "contradiction". I am not surprised to hear him use this word because he is a past master of contradiction. I refer specifically to the promise he made to the cattlemen of western Canada, both orally and in writing, which he did not keep.

I move, seconded by the hon. member for Battle River (Mr. Downey):

That the motion be amended by adding thereto, immediately following the word "product" at the end thereof, the words "but, for the purpose of any of the provisions of this act, shall not include cattle or calves;

I am quite sure that if his words mean anything the minister will be pleased to have this amendment. I am also quite sure that the hon. member for Okanagan Boundary (Mr. Howard), who was concerned about cattle and calves, would be prepared to second, third or fourth it.

Mr. Deputy Speaker: The Chair has the amendment of the hon. member for Swift Current-Maple Creek (Mr. McIntosh) and is prepared to accept it if there are no objections. I think procedurally we can accept it at this point.

Mr. Reid: Mr. Speaker, it was my understanding that at report stage no amendments are permitted, unless, as in the case here, an order to that effect is passed.

Some hon. Members: No, no!

Mr. Lambert (Edmonton West): No. Get into your rules.

Mr. Deputy Speaker: As I understand it, the Chamber has before it a motion by the hon. member for Crowfoot, seconded by the hon. member for Swift Current-Maple Creek, which has been amended by an amendment in the name of the President of the Privy Council, seconded by the Minister of Finance. We now have a proposed subamendment, moved by the hon. member for Swift Current-Maple Creek, seconded by the hon. member for Battle River. In these circumstances it is my understanding that no notice is required.

Mr. Olson: Mr. Speaker, I was out of the Chamber for just a moment but I am sure Your Honour would realize that this proposed amendment is a sub-amendment to an amendment, which of course is not permissible.

Mr. Lambert (Edmonton West): No, no! Come on!

Mr. Peters: You are not that dumb. You have been here for a couple of years.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, let us not take too much time on this. The motion presented by the hon. member for Crowfoot is not an amendment, it is a motion. The proposition presented by the President of the Privy Council is an amendment to that motion. This, therefore, is a subamendment, and I suggest it is quite proper under the provisions of Standing Order 75(8). I am opposed to its substance but I think we must agree that it is in order to move both an amendment and a subamendment to a motion that has been proposed at the report stage, provided, of course, that it meets the rule of relevancy, as I believe it does.

• (4:50 p.m.)

Mr. Bell: Mr. Speaker, may I rise briefly on the point of order and say that there is no substance to the proposition of the Minister of Agriculture (Mr. Olson). We have just finished the tax reform bill and we all know that in connection with that bill there were amendments to amendments to amendments to amendments.

Mr. Deputy Speaker: Order, please. The point of order was raised by the Minister of Agriculture (Mr. Olson). The Chair agrees with the hon. member for Winnipeg North Centre (Mr. Knowles). We have before us a motion in the name of the hon. member for Crowfoot, and an amendment in the name of the President of the Privy Council. So that we now have before us for consideration an amendment to the amendment moved by the hon. member for Swift Current-Maple Creek. In the opinion of the Chair that is quite in order. If there are other observations—not on this point I might add, since it seems to me that the point is clear—I will be glad to entertain them. Otherwise I will put to the House the amendment of the hon. member for Swift Current-Maple Creek.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I am not in favour of the amendment, although I think it clarifies

the situation that has developed. I am surprised that the minister, at this late date, should mount such a vehement attack—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. There are only a few minutes left for dealing with the substance of the subamendment proposed by the hon. member for Swift Current-Maple Creek. If there are other points of order to be raised, I will hear them. I suggest that the hon. member should not argue the substance of the subamendment until the Chair has put it to the House.

Mr. Peters: Mr. Speaker, I thought you had put it to the House.

Mr. Deputy Speaker: With respect, the Chair has not yet put it. The Chair was inviting hon. members to make their comments as to the procedural acceptability of the proposed subamendment. If there are no other comments I will put the subamendment. The hon. member for Swift Current-Maple Creek, seconded by the hon. member for Battle River (Mr. Downey) moves:

That the amendment be amended by adding thereto, immediately following the word "product" at the end thereof, the words "but, for the purpose of any of the provisions of this act, shall not include cattle or calves;"

Mr. Peters: Mr. Speaker, I wish to speak to the amendment. I am surprised that the minister has been able to add a new dimension to the debate on this bill by remarks of such force and vindictiveness which have been aimed at members of this House who have been seized of this bill for a long time and have made a considerable contribution to the bill. It should be remembered that initially producers were not even considered when the government thought of establishing marketing boards. The valuable changes contained in the bill have been brought about by members of this House.

The amendment introduced by the President of the Privy Council (Mr. MacEachen) is different only in that eggs and poultry and products of eggs and poultry are not included in the general provisions of the bill. That means that the producers of those commodities do not need to hold a plebiscite before the establishment of a board governing them.

In other words, this government is trying to establish such boards without giving to the producers concerned any of the protection that is available to any other producers who may wish to establish boards governing their commodities. We support the amendment, just as we supported the original clause, because all agricultural products and derivatives thereof are to be included, with the exceptions I have just mentioned. We have always been in favour of that, just as we have always been in favour of the protection which is to be given to producers.

Although the amendment does not spell this out, the farmers in a province must vote on whether they want a marketing agency and, before a nationwide agency is set up, the farmers collectively in the country in favour of such agency must be in the majority. Each province has taken steps for determining whether the majority of farmers producing any commodity are in favour of establishing a board and, eventually, an agency that will operate on a national basis. In this case the government is flying

[Mr. Peters.]

in the face of what is happening in Ontario. The minister was only partly right in saying that egg and poultry farmers in Ontario want a national board before they will vote for a provincial board. I suggest that is not correct and the minister knows that is not correct.

The minister is well aware that considerable time has elapsed since the government first asked farmers whether they wanted an egg marketing board. That happened a long time ago. At that time I do not think the farmers were in the least interested in such a board. Ontario egg producers were not interested in what happened in the rest of Canada because, at that time, Ontario was not much more than self-sufficient. It is only recently, when Ontario has been supplying the bulk of eggs in eastern Ontario, and particularly in Quebec, that this has become a major problem.

I am surprised that the minister who agreed in committee that protections were necessary should come before the House and support an amendment which eliminates the right of egg producers to determine whether or not a national agency shall represent them. The provisions of the clause we are considering, and of clause 18, will be put into effect without instructions for setting up an agency coming from the farmers themselves. In other words, the government will be establishing a national egg and poultry marketing agency. I think the minister was considerably less than correct when he suggested that all the ministers of agriculture of the provinces are in favour of the bill. The communiqué they put out said that they were in favour of this bill only if a number of amendments were made to it.

Some hon. Members: Hear, hear!

Mr. Peters: They suggested amendments, and the minister knows that. The minister has been dishonest about their position on a number of occasions.

Mr. Horner: He has misled the House.

Mr. Peters: That shocks me. The minister did not need to say that to get this bill through. He did not need to be dishonest. He ought to be willing to indicate forthrightly what the actual situation is.

The Acting Speaker (Mr. Laniel): Order, please. It being five o'clock, p.m., the House will now proceed to the consideration of private members' business as listed in today's order paper, namely, private bills, notices of motions (papers) and public bills.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I wonder if the House might not wish to suspend private members' hour. There is only so much time left to finish discussion of the report stage of Bill C-176. Many amendments are to be dealt with and many members wish to speak.

On the other hand, I think I can say that if private members' hour is taken up with considering the private bill that is at the top of the list, there may be considerable debate on it. I think, all told, it might be better if we were to forgo private members' hour and use the time for the further consideration of Bill C-176.

Mr. Allen B. Sulatycky (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, from the concluding remarks of the hon. member for Winnipeg North Centre (Mr. Knowles) I take it that the next hour would be unproductive if we proceeded with private members' business. Therefore I will consent to that hour being used for the consideration of government orders.

Mr. Howard (Skeena): You never know. Perhaps the hon. member should try.

The Acting Speaker (Mr. Laniel): Order, please. Am I to conclude that there is unanimous consent to forgo private members' hour?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The hon. member for Timiskaming.

Mr. Peters: Mr. Speaker, I presume that the source of the statement the minister made was the statement on the development of Canadian agriculture, submitted by the provincial ministers of agriculture to "Hon. H. A. Olson", on November 22, 1971.

Mr. Olson: That is not it. The source is the communiqué from the provincial ministers of agriculture.

Mr. Peters: Yes. As I say, that was the source.

Mr. Olson: That was not the source the hon. member referred to.

Mr. Peters: I presume that the source is the communiqué I referred to. The general outline on page 11 begins by saying:

• (5:00 p.m.)

Bill C-176 in its present form is unacceptable to the provinces although the principle of orderly marketing and market sharing is acceptable to all.

The minister may give his interpretation of what he would like things to be, but he should also tell us what the facts are. We visited a number of the provinces and found that many of them were opposed to this type of legislation. Quebec, in particular, was opposed to it, on the same grounds as those on which I originally opposed the bill, and still am opposed to it. Quebec saw no reason why it should set up a multitude of boards. Why, it asked, should not the federal government set up the boards, and then Quebec participate?

This is enabling legislation intended to get Bill Stewart's 38 boards into operation in Ontario where he is in a heck of a lot of trouble. This does not mean I am opposed to marketing legislation. It only means that there is controversy in this field and that the minister is being less than honest if he does not present to the House the facts as they are. I suggest he owes the House an explanation.

Mr. Olson: On a question of privilege, Mr. Speaker. The hon. member for Timiskaming has not stated the fact in saying my point was based on the document from which he read. It was based on a communiqué issued at the conclusion of the agriculture ministers meeting, a document which I am prepared to read or to lay on the table again. I would refer the hon. member to the second paragraph on page two, where it says there was agreement that the legislation was necessary to provide a legal framework for a co-ordinating agency, and that speedy passage of Bill C-176 should be secured.

Some hon. Members: Hear, hear!

Mr. Peters: There is no question that the ministers of agriculture agreed in accordance with the statement the minister has just read. They are well aware that there is a constitutional problem which means that enabling legislation must be passed to provide for the operation of all the networks of boards in all the provinces. This is what the minister just said. But it is not really what he said earlier. What he said earlier was that they had agreed to Bill C-176. There is no relationship between the statement made in the brief and the statement made in the communiqué.

I understand—I may be wrong—that the minister said the ministers of agriculture had agreed to Bill C-176. That is not the case, according to the document which I read.

I am not only taking the position outlined in this brief; I am well aware from firsthand knowledge, having listened to all the ministers of all the provinces several times on this subject, that there were grave misgivings about certain clauses of this bill. My interest is the reasoning behind the first part of this amendment before us. I see no legitimate reason why eggs and poultry should have been accorded different treatment from the other commodities. We are all now familiar with the special arrangements under which producers have a right to vote. But under this proposal we would be eliminating the right of plebiscite or determination—

The Acting Speaker (Mr. Laniel): Order. I regret having to interrupt the hon. member, but his time has expired.

Mr. Douglas Stewart (Okanagan-Kootenay): Mr. Speaker, since March 17, 1970, when the predecessor to Bill C-176 was first introduced to Parliament, right across Canada millions of words, hundreds of representations and dozens of amendments have been offered by farmers, farm organizations, political spokesmen, consumer interests and other concerned associations on this subject matter.

The Standing Committee on Agriculture has met and heard many producer groups here in Ottawa and has travelled the nation to seek and receive letters, briefs and other points of view on this intended farm products marketing agencies act. This process of discussion and debate has been long and lively, and those taking part have both supported and, in some instances, opposed the concept of establishing national marketing agencies.

As a member of the Agriculture Committee, I have had an opportunity to participate more fully than most in the deliberations on this proposed legislation. Although it is extremely difficult, if not impossible, for me at this point in time to offer original comment, I do wish to dwell briefly on two points which to me have become abundantly clear in my assessment of this bill. First, there is no doubt in my mind that a significant majority of Canadian farmers see a real need for a national and rational approach to marketing their products. They consider Bill C-176 in its proposed form to be the answer, and thus urge

its expeditious passage. Their position is apparently supported by nine of the ten provincial ministers of agriculture, who also have recorded their hope that parliament will deal favourably with this bill as soon as possible. It is therefore generally felt that primary producers should have the opportunity to organize for more orderly marketing of their products.

The second point on which I am clear is that, without exception, to my knowledge, and for reasons real or imagined, the beef producers in my riding, and admittedly a great number elsewhere, do not wish to be included in the provisions of this bill.

I therefore feel I have a dual responsibility in this matter. Recognizing that this bill has general, and in some cases strong, support and that in certain quarters there is a genuine need and desire for this type of enabling legislation, I must urge upon members that this bill pass with dispatch, for I do subscribe to its basic principles.

On the other hand, I feel personally a duty to those of my constituents, the beef producers, who in great numbers have informed me that they wanted no part of this bill. I attempted to explain to them that there was no way whatsoever in which they, as producers of this particular commodity, could be affected by the bill's provisions unless and until they themselves chose to establish a national marketing plan and accordingly voted themselves in. Nevertheless having, as I said, a responsibility to listen to and be guided by the wishes of the beef growers of my area, I was prepared—as I did at the committee stage—to exercise my franchise in this House in support of any amendments which would exempt beef cattle products from the bill.

Alternatively, I was prepared to press, as I have been doing, for any acceptable proposal which would effectively attain this objective. I believe, Mr. Speaker, that we have such a proposal before us now. I am pleased therefore that this government has seen fit to put forward its amendment which removes any specific reference to cattle.

The Acting Speaker (Mr. Laniel): Pursuant to order made this day the time allotted to the consideration of Motions nos. 1, 5 and 22 have now expired.

• (5:10 p.m.)

The question is on the amendment to the amendment.

All those in favour of the amendment to the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed to the amendment to the amendment will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to the order previously adopted, the division stands deferred on the subamendment, and automatically on the amendment as well as on the main motion.

[Mr. Stewart (Okanagan-Kootenay).]

The next question is on motion No. 5. It is moved by the hon. member for Crowfoot (Mr. Horner):

That Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting paragraph (ii) of subclause (g) of clause 2 at page 3.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

I declare the motion lost on division.

Motion no. 5 (Mr. Horner) negatived.

The next question is on motion No. 22. It is moved by the hon. member for Crowfoot (Mr. Horner):

That Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended

(a) by adding to subparagraph (ii) paragraph (a) of subclause (1) of clause 18 the word "such" after the word "any" at line 13, page 12 and by deleting from the subparagraph all the words after the word "proclamation" at line 14; and

(b) by adding to subparagraph (ii) paragraph (a) of subclause (2) of clause 18 the word "such" after the word "any" at line 6, page 13 and by deleting from the subparagraph all the words after the word "proclamation" at line 7.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

Accordingly, motion No. 22 is negatived on division.

Motion No. 22 (Mr. Horner) negatived.

The Acting Speaker (Mr. Laniel): Pursuant to the order previously adopted the House will now proceed to the consideration of clause 18 of the bill.

On clause 18: *Contents of proclamation:*

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I would like to seek the unanimous consent of the House to move a motion amending clause 18 of Bill C-176. I agreed with the provincial ministers of agriculture that this motion ought to be put forward. I move:

That clause 18 of Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding, immediately after line 38 on page 13 thereof, the following subsection:

"Limitation (3) A proclamation referred to in subsection (1) or (2) that designates a farm product other than eggs or poultry or any part of eggs or poultry shall not set out as a term of the marketing plan that an agency is empowered to implement any term that would enable the agency to fix and determine the quantity in which any regulated product could be marketed in interprovincial or export trade by persons engaged in such marketing thereof."

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

Some hon. Members: Question.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it. I declare the motion carried on division.

Motion (Mr. Olson) agreed to.

Mr. McIntosh: Mr. Speaker, I did not hear you ask for unanimous consent.

Mr. Speaker: The hon. member will appreciate that we are now placed in difficulty. The unanimity to which the hon. member refers and to which I referred originally was to put the motion. I would not want the hon. member to be placed in a difficult position. I think everything is being done by consent and by agreement between parties. When the hon. member earlier brought to the attention of the Chair that he proposed to make a motion and referred to this particular proposed amendment to clause 18, the Chair indicated to the hon. member in question and the hon. member for Joliette (Mr. La Salle) that, in order to be able to propose a motion, unanimous consent would be required. That is why I hesitated before putting the motion and looked in the direction of the hon. member for Swift Current-Maple Creek (Mr. McIntosh), expecting that he or other members would indicate they were not willing to give their unanimous consent. That would be my interpretation of the rules and interpretation of the situation.

We have now reached the position where I have put the motion without objection from the hon. member or from the hon. member for Joliette. I am open to comments from hon. members who might assist the Chair in this difficulty.

Mr. McIntosh: Mr. Speaker, on any occasion that I can remember when unanimous consent of the House was required the Speaker usually asked if there was unanimous consent. If Your Honour did ask it on this occasion, I missed it. That is my point.

Mr. Speaker: The point is well taken. I indicated to the hon. member that my understanding was that there might not be unanimous consent. The matter having been raised previously today, I expected that if anyone did not wish to give his consent, that would be indicated to the Chair. I assume the hon. member for Joliette is in the same situation, that he is not prepared to give unanimous consent to this motion.

• (5:20 p.m.)

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, are we still debating the matter of unanimous consent on the motion moved by the hon. member for—

Mr. Speaker: The difficulty that the Chair is facing at this time is that the minister moved an amendment to clause 18 of Bill C-176. Prior to that, it had been suggested to me that neither the hon. member for Joliette nor the hon. member for Swift Current-Maple Creek (Mr. McIntosh) would give consent to this motion or this amendment moved by the Minister of Agriculture (Mr. Olson). I did not hear any objection at the time I was going to put the motion, and I wonder if the hon. member for Swift Current-Maple has indicated that he was not ready to give his consent in order that the motion be put to the House. Actually, I wondered if the hon. member for Joliette had any representations to make on the point of order raised by the hon. member for Swift Current-Maple Creek.

Mr. La Salle: Mr. Speaker, I understand that this is an amendment moved by the Minister of Agriculture. Since he was kind enough to send me the text of his amendment, I shall certainly agree with him.

[*English*]

Mr. Speaker: In equity and justice I really do not think the hon. member for Swift Current-Maple Creek (Mr. McIntosh) and the House would want the motion be put again. It was understood that there should be unanimous consent and there was unanimous consent. I do not see how the motion could be put formally to the House.

Mr. MacEachen: Mr. Speaker, I think the point that has been raised is an important one. The Minister of Agriculture (Mr. Olson) did ask for consent, the motion was put and it was carried. It was only at that point that the hon. member for Swift Current-Maple Creek (Mr. McIntosh) raised his point. Now, it often happens that a proceeding takes place and the member may not be alert to what is occurring. However, it seems to me that the House by a voice vote carried this amendment. It was put to the House and up until the point at which it had been carried there had been no objection raised, even though at the very moment the minister got on his feet he said he was asking for unanimous consent to put his motion.

Mr. Horner: On this point of order, Mr. Speaker, I realize and recognize the dilemma you are in. I understood the

Minister of Agriculture (Mr. Olson) to say that he realized he would have to have unanimous consent to put this motion. He did not really ask for it. I, along with the hon. member for Swift Current-Maple Creek (Mr. McIntosh)—and *Hansard,* of course, will bear out exactly what was said—listened to Your Honour to hear whether or not Your Honour posed the question "Is there unanimous consent for the minister to put his amendment?", and I did not hear it. Although I favour this amendment I realize the dilemma you are in, and I appreciate the graciousness of your decision to acknowledge that the question was not asked.

This is an amendment which all agricultural ministers want. It is an amendment that the Minister of Agriculture wants. It is an amendment which the government wants, and I would assume that if we cannot accept it here it could be placed in the bill tomorrow by the Senate. That august body in the other place could well handle this chore, I believe.

Mr. McIntosh: Mr. Speaker, if it will help you or the House, in view of the fact that there was a misunderstanding I will accept the fact that I was trapped in this regard and I will allow your ruling to stand.

Some hon. Members: Hear, hear!

Mr. Speaker: I thank the hon. member. He was trapped with the Chair. We were trapped together. Certainly I appreciate the hon. member's decision to agree with the position of the Chair and his understanding of the difficulty in which the Chair was placed. I apologize to the hon. member if I placed him in that difficulty. I attempted to explain the situation a moment ago. The hon. member knows I did not do anything to try to place him in an embarrassing position. That being the case it is assumed that the question has been put and has been carried on division.

The next question is on motion No. 27. It is moved by the hon. member for Winnipeg North Centre (Mr. Knowles) for the hon. member for Saskatoon-Biggar (Mr. Gleave), seconded by the hon. member for Timiskaming (Mr. Peters):

—That Bill C-176, An Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following immediately after the heading "General" at page 18:

"24. A marketing plan to the extent that it allocates any production or marketing quota to any area of Canada, shall allocate that quota on the basis of the production from that area in relation to the total production of Canada over a period of five years immediately preceding the effective date of the marketing plan. In allocating additional quotas for anticipated growth of market demand, the marketing agency shall be guided by the principle of comparative advantage of production."

and by renumbering subsequent clauses accordingly—

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, it is understood that there is to be an amendment to this motion which will be proposed by the President of the Privy Council (Mr. MacEachen). Therefore I shall take only a minute or so to place the motion before the House. In other words, the time for the debate on the whole proposition would more appropriately come after the government's amendment has been moved.

[Mr. Horner.]

The purpose of this amendment is to include what we regard as a very desirable provision in Bill C-176. If this amendment, is carried, as I hope and I believe it will be, it would provide that before any marketing agency which is established under this legislation can set up supply management plans or set quotas it must consider the distribution of production over the preceding five years. In other words, the purpose of this amendment is to have regard to historic rights, particularly of the prairie provinces, and we feel that this amendment has been worded in such a way that it protects those rights without taking away rights from any other section of the country.

We also feel that with an amendment such as this something can be done to offset the kind of dangers which arose when the provinces set up their own provincial limitations on the import of produce from other parts of Canada. All told we think this is a very desirable addition to the bill. It would write in a new clause 24 in the terms outlined in the amendment and succeeding clauses would be renumbered accordingly. Therefore I have pleasure in submitting the motion for the consideration of the House.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) has mentioned that it was proposed I would move an amendment to this particular motion which is in the name of the hon. member for Saskatoon-Biggar (Mr. Gleave). The amendment I would propose would accept in large part the motion as it is but would attempt in the last sentence to change the wording, with the purpose of providing the marketing board or the marketing council or the marketing agency with some flexibility in allocating the future growth of market demand.

Therefore I move, seconded by the Minister of Agriculture (Mr. Olson):

That Motion No. 27 by Mr. Gleave be amended

(a) by striking out the words "after the heading General" and by substituting therefor the words "before the heading General"

(b) by striking out the words "be guided by" and by substituting therefor the word "consider"; and

(c) by striking out "and by renumbering subsequent clauses accordingly" and by substituting therefor the words "and by renumbering subsequent clauses and correcting cross-references accordingly".

• (5:30 p.m.)

Mr. Speaker: Hon. members have heard the motion. Is there agreement?

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in rising to support this amendment submitted originally by the hon. member for Saskatoon-Biggar (Mr. Gleave), who is now enjoying sunnier climes, I hope, I would like to say how much the agreement with the other parties in the House has meant to us. I am certain this will be a very valuable provision for producers in what I call prairie Canada. Most of them call it western Canada, but I who consider myself to be from the true west regard the three provinces as prairie Canada rather than using the larger, generic term "western Canada."

I say at the outset that I am almost speechless because some of the things that I was going to say in support of this amendment have already been uttered capably and

eloquently by the hon. member for Winnipeg North Centre (Mr. Knowles) who obviously had the opportunity to study my press release on the subject.

In any event, I think we can be comforted by the fact that this amendment has substantial support all across Canada. The evidence which I cite is contained in the submission to the Minister of Agriculture (Mr. Olson) by the provincial ministers on November 22 of this year. The reasoning behind this amendment is to recognize the historic rights and trading patterns of particular producers in certain parts of the country, particularly in prairie Canada, because I think that if we are moving to a new style of agriculture and a new marketing plan it is important that an adjustment period be allowed. The motion indicates that this period be five years, to give the traditional producers an opportunity to adjust to any changes that may take place in the particular trading patterns within our country. From that point of view it is extremely important.

I mentioned a moment ago that I was supported in this contention by the brief which the provincial ministers supplied to the Minister of Agriculture. On page 3 of their submission, under the heading "Constraints affecting Canadian agriculture" they make the following point:

> There is a real possibility that multinational corporations will place plants in large market areas (e.g. the European Economic Community) and these plants could process foreign produce which would displace Canadian farm produce from markets that were developed by Canada.

If you substitute the words "central Canada" for "the European Economic Community," and the words "western Canadian producers" for "Canadian farm produce," you can see the fears upon which this amendment is based. There is no doubt that certain factory farm operations which can be readily expanded have a tendency in North America to move very close to centres of concentration of large population. The information which we received on the tour of the Standing Committee on Agriculture was that the fear was that if the situation were to occur where food production took place next to large centres of population, there would be very little opportunity for the prairie provinces to retain their population and to develop the variety of approaches to their economy which they are seeking. From that point of view I think this motion is worthy of support.

Further on in the ministers' brief, at page 5, paragraph (d), they say:

> in the event of a sharing of markets, the position established by the producers who presently supply them should be respected;

This, again, is covered in the amendment to clause 24 and, hopefully, with the new wording that we have, the crucial sentence is that in the allocation of additional quotas for anticipated growth of market demand, the marketing agency shall be guided by the principle of comparative advantage of production. This protects those historic market areas which want one and the same thing as the comparative advantage area. Therefore, I think this is another point in favour of the motion.

Further on in the brief the ministers make a point about vertical integration. At page 6 of their brief, paragraph 11, they state:

> The provinces are opposed to any extension of vertical integration by non-farm corporations and will attempt to reduce the amount that presently exists. Government programs in agricultural marketing, rural development and farm credit have to be designated to allow the maximum development of the family type farm.

The problem that we encountered in the poultry and egg industries is that by and large surpluses have been created by vertically integrated corporations which have moved into the traditional areas formerly occupied by independent, family farm producers. On page 8 of the brief the ministers go on to say:

> Although comparative advantage, properly defined, must be recognized—

That is a little stronger than the present amendment which says "to consider".

> —it need not be accepted as the sole criterion for agricultural production.

Perhaps this weakens the case, but it makes it more reasonable. There is no particular formula in this amendment. When the Manitoba government presented its brief in Winnipeg, it suggested that half the growth in the areas of growing population and growing consumption should be allocated to the historic areas, but this amendment does not tie down the board or the agency that tightly. In any event, I am pleased to speak in support of the amendment. I hope it passes as speedily as possible.

Mr. E. F. Whelan (Essex): Mr. Speaker, I do not intend to take very long. The motion is a good one, but I think some of the arguments which the hon. member put forward are unnecessary because, as he pointed out, there are other provisions in the bill which complement this motion. I want to see Canadians share in the production of their foodstuffs. People who have taken part in food production should have their rights protected. Those who administer this act will be doing an important job, and as Members of Parliament we will make representations to them if we see them getting out of line.

• (5:40 p.m.)

I come from central Canada, the part of the country that some people seem scared of, central Ontario, which produces nearly one-third of the agricultural production of the nation, and I can say that I do not mistrust the eastern farmers, the western farmers or the farmers of British Columbia. I believe that British Columbia farmers have much the same problems as we have in eastern and central Canada. Farmers in the Fraser Valley produce many of the commodities that we produce in central Ontario.

This bill will provide some protection to producers. The recent surplus in egg, poultry and hog production was created by only 2 per cent overproduction. Such a thing cannot happen in cattle production because overproduction in that industry would take longer to develop than is the case with poultry. I think that what the hon. member is seeking through his amendment is worth while.

Mr. Cliff Downey (Battle River): Mr. Speaker, at this point in time this is an acceptable amendment, but I do not go along with the concept of supply management. I have a great many fears with regard to quota allotment and the whole concept of supply management. In this connection I wish to quote a few sentences from last week's *Country Guide*:

There's no room in the merchandising scheme, he says, for "supply management", the philosophy that better prices can be obtained by artificially limiting supply. "Supply management doesn't solve the agricultural problem because it is a flight away from the mass markets of the world. It dooms us to be content with a shrinking share of the market at prices that become increasingly vulnerable with time."

Those are the words of an agricultural economist. It is an improvement to have the averaging provision that will be provided by adoption of the amendment, but I think it should be a moving average that will escalate to take care of increased demand and increased population.

Mr. Speaker, dealing with turkey quotas in the province of Ontario I wish to quote as follows from a letter which indicates some of the problems encountered during the establishment of quotas:

—turkey growers were allowed to set their basic quota on the highest number of turkeys that they grew in any one of three years, namely, 1966, 1967 and 1968.

Growers who grew turkeys in 1966 and have not grown turkeys since then naturally voted for the quota plan, in hope that some day it would have a monetary value. The grower who might have grown 80,000 turkeys in 1966, and 20,000 in 1967, and 20,000 in 1968, voted for the quota system because he would be allowed to set up his quota on the basis of the highest production year, 1966, even though he figured that he would never grow 80,000 turkeys again.

The net result was that they ended up with an unrealistic production of turkeys in relation to market demand. We must look at the allotment of quotas carefully. One of my great fears is that when you establish quotas with respect to a new product you immediately move into the realm of the allotment of quotas, which can fall into either one of two areas, a political allotment or the establishment of a purchase price for quotas. I can give no better example of this than that of the tobacco industry in Ontario, which is an entirely closed shop. A man can send his son to school and if the son has ability he can become a teacher, a doctor or a lawyer. But if he wants to become a tobacco farmer he finds that this is a closed shop unless he has the money to buy into it. This is a major problem with respect to the establishment of quotas and supply management. It cuts down on opportunities for young people.

We must look at the people who represent an industry and who are asking for the introduction of the supply management concept. For example, we must look at the poultry industry. I know that poultry producers have asked to come under this plan. In many cases those who seek the introduction of this concept actually own or control their own quotas. Let me give the example of turkey production. National turkey production in Canada is about 200 million pounds per year. In Ontario there are 50 growers who produce 78 million pounds, and one producer grows approximately 13 million pounds of the 90 million pounds provincial quota. He is one of the directors of the turkey board. That industry is lobbying in Ottawa to come under this plan. There is a list here that I could give which includes Purina and Canada Packers. I do not intend to vote for supply management in any way, shape or form, but I do say that this amendment is an improvement on what is in the bill.

Mr. John Burton (Regina East): Mr. Speaker, I wish to say a few words in support of the amendment which was placed before the House by my colleague from Saskatoon-Biggar (Mr. Gleave). It represents an acceptable approach to marketing plans. I think that some of the provisions we are enacting must be developed within the framework of changes and adjustments that are taking place within Canadian society. The fact is that in recent years we have experienced significant shifts in the pattern of Canadian population distribution. Certain parts of Canada, particularly Ontario, the lower St. Lawrence region and the immediate Vancouver area have become rapid-growth regions. We have not experienced the same degree of population growth in the prairie provinces and the maritime provinces.

• (5:50 p.m.)

The point with regard to production quotas, marketing plans and supply management is that if the entire increase, or a greater proportion of an increase in the marketing quota, or an allocation of new production quotas, is given to an area which is experiencing large population growth, this in fact will contribute to an extension of regional disparities both in terms of income distribution in Canada and also in terms of the rate of economic growth in the different regions. I think it is important that we have some protection for those areas of Canada which are not experiencing the same degree of population growth and, in some cases, economic growth as other parts of Canada.

It seems to me that the motion presented by my colleague from Saskatoon-Biggar will provide a significant degree of protection for some parts of Canada which are most suitable for certain types of agricultural production where the factor of comparative cost and management will come into play if it is allowed to do so. I think it is important that we have this provision in the bill, to be in line and consistent with other national objectives which we must work for at the present time. This amendment is also important if we as a nation are to get off on the right foot in starting marketing plans and are to make use of the concept of supply management.

I think that to accept the principle of supply management is perfectly consistent, in the concept of orderly marketing, with the development and use of marketing boards. That does not necessarily mean that any plan put forward within the framework of the concept of supply management is acceptable. In many cases a particular plan is not acceptable even though the principle may be. A good example is the grain income stabilization plan which was debated in this House. I think most members were prepared to accept the principle of stabilization of grain income in the prairie provinces but objected to the particular plan placed before them for approval.

The same thing applies here. We must have a sound approach to a particular type of plan if it is to be workable and acceptable to the farmers of Canada. It must take into account wider objectives than are at present envisaged. It is fine to introduce the concept of supply management which has as its objective bringing production into line with market demand, but if this is done in such a way as to result in widespread dislocation in the agricultural industry then we have a difficult situation. This approach will not be acceptable to farmers and in the long run will be doomed to failure.

One of the reasons many people in farming have been fearful of what is taking place, and of some of the features of this bill, is the recent experience of the House in regard to the supply management principle. An example is Operation Lift which operated in a harsh and brutal fashion toward many farmers in western Canada. It had the limited objective of reducing grain production in the prairie provinces. By itself, that objective has some merit, but the way the plan was imposed upon farmers brought a great deal of hardship in many cases. Farmers were forced to go along with the plan if they were to have any grain quota for the particular year. I suggest this was a misuse of the power given to the Canadian Wheat Board by the Canadian Wheat Board Act. This experience soured many farmers on the concept of supply management.

The experience with the Canadian Dairy Commission, and particularly the way in which subsidies for grain producers affected farmers in some parts of Canada, is another example. In my own province of Saskatchewan many farmers had their grain subsidy cut off with no hope of being able to get back into production regardless of the circumstances, and with no hope of qualifying for subsidy in the future even though they had good reason for withdrawing from grain production for a period of time. The result is that the grain quota allocated to the province of Saskatchewan dropped from 15 million pounds in 1967 to about 9 million pounds in the current year. This is a direct result of the policies of the Canadian Dairy Commission and of the supply management concept they were using.

The concept of supply management can, I think, be perfectly consistent with the principle of orderly marketing, but it depends on the way it is carried out and upon the acceptance of a wider set of objectives than the limited objective of relating production to immediate market demand.

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

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment to the motion moved by Mr. Knowles (Winnipeg North Centre) for Mr. Gleave, seconded by Mr. Burton.

I invited comments from hon. members a short while ago to ascertain whether hon. members wanted to participate in this debate. If there are hon. members who want to participate in the debate on the amendment to the motion, this would have to be done after the dinner hour. For the moment, I believe the President of the Privy Council (Mr. MacEachen) rises on a point of order.

ROUTINE PROCEEDINGS

PROCEDURE AND ORGANIZATION

MOTION AUTHORIZING STANDING COMMITTEE TO SIT DURING RECESS AND TRAVEL OUTSIDE CANADA

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I rise on a point of order to tell the House that I have had discussions with members of other parties with respect to terms of reference that might be given by the House to the Standing Committee on Procedure and Organization. This matter has been pending for some time and I thought now might be a good time, if I had consent, to ask that this motion be carried so that the Standing Committee on Procedure and Organization would be able to do some work during the recess.

Mr. Speaker: Is there such consent?

Some hon. Members: Agreed.

Mr. MacEachen: I move, seconded by the hon. member for Peace River (Mr. Baldwin):

That the Standing Committee on Procedure and Organization be authorized to consider the Standing Orders of the House and procedure in both the House and in its committees with special regard to all the matters that Mr. Speaker has suggested during the twenty-eighth Parliament may require the consideration of the said committee, and to report to the House its views on any facets thereof that may require reform and to recommend what manner of reform may be required;

And that, during its consideration of the aforementioned matters and of the question of broadcasting of the House, the said committee shall be authorized to adjourn from place to place outside Canada provided that such adjournment from place to place shall not take place when the House is sitting;

And that the necessary staff shall accompany the committee.

I may add, Mr. Speaker, that I do not foresee that the Caribbean countries will provide any valuable experience to the committee in reaching their conclusions.

Mr. Speaker: Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Mr. Speaker: It being six o'clock, I do now leave the chair.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

FARM PRODUCTS MARKETING AGENCIES BILL

ESTABLISHMENT OF NATIONAL MARKETING COUNCIL AND AGENCIES

The House resumed consideration of Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, as reported (with amendments) from the Standing Committee on Agriculture, motion No. 27 (Mr. Knowles, Winnipeg North Centre, for Mr. Gleave) and the amendment thereto of Mr. MacEachen.

Mr. Jack Murta (Lisgar): Mr. Speaker, just before the six o'clock adjournment we were speaking to the amendment standing in the name of the hon. member for Saskatoon-Biggar (Mr. Gleave), moved by the hon. member for Winnipeg North Centre (Mr. Knowles). We were talking basically about quota allocations and where they should be applied once the national marketing legislation has been established.

In the few minutes at my disposal tonight I want to show why western Canada thinks it is important for quota allocations to be spread representatively across Canada. As hon. members of the House may know, western Canada produces much of Canada's agricultural produce. Unfortunately, however, we ourselves do not have the population to sustain that production and in the result we depend on exports mainly to central Canada and to world markets. We export a great deal of our agricultural produce. For example, in 1965 western Canada exported 61 per cent of its beef and veal production. In 1969 that figure had moved down slightly to 53 per cent.

Let us consider pork, a commodity which could come under marketing legislation—in the next year or so. In 1965 about 42 per cent of western Canada's pork was exported. By 1970 that figure had increased to 62 per cent. The same holds true for chickens and hens and for egg production. Western Canada produced about 50 per cent of those commodities for export. By 1969 we had produced 59 per cent of the same commodities for export. The same sort of statistics hold true for butter and honey, although to a somewhat lesser degree. Clearly, in devising any marketing scheme this government must be very careful in the allocation of quotas. It must be especially careful if western Canada is to enjoy a viable agricultural industry and if it is to produce the cheapest possible products for Canadians.

On February 2, 1971, the Carman District Farm Business Association presented a brief to the Standing Committee on Agriculture. The farmers in that association make up a good many of the farmers of southern Manitoba, the part of the province from which I come. At one time I was a member of the association. They presented a brief to the committee when it was travelling through Manitoba. One or two sections of that brief are significant if one is to understand the total picture with which we are dealing tonight. With regard to the production of poultry and eggs, the association says in its brief:

> Where supply management is unavoidable the allocation of quotas assumes major importance. Farmers have seldom been specific on the techniques of quota allocation. Quota allocation will vary with the commodity and the agency.

The brief says that these minimum guidelines should be spelled out in any legislation that comes before the House of Commons. It then goes on to say that the initial allocation of quotas should reflect the status quo within the country. I think this is important. When we talk about quota allocations we must remember that producers must remain in production. Not only that, they must be given the chance to expand production. Talking about quotas, the brief goes on to say:

> They should in no sense be regarded as provincial quotas. They should be prorated to actual producers on a national basis. It is difficult to suggest how the initial allocation of quotas can fairly represent both the asset structure and production variations due to weather, disease, etc. Rapidly changing technology and market demands suggest that an average of the past five years' production record would be a reasonable compromise. Special consideration should be given where new facilities have not come into full production at the time of inception of a marketing agency.

That is precisely what the amendment deals with. For the most part I completely agree with its aims. The farmers of western Canada need some basis from which to work, as do farmers all across Canada. That basis should be the quota allocations. I think the minister said that for the most part this amendment would strengthen that position.

• (8:10 p.m.)

We have been talking, too, a great deal about the supply management concept in marketing legislation. It is at this point very hard not to talk about supply management when discussing Bill C-176. We have been talking about marketing legislation for almost three years. We started with Bill C-197, on which I did not have the privilege of speaking, but with respect to Bill C-176 I was able to sit on and travel with the committee to a great extent. So since we are now talking mainly about production control—price control, if you like—and quotas in association with supply management of poultry and eggs, I would like to put on record some of my feelings of hesitation with respect to the supply management concept which we have had to accept at least in part.

All through our negotiations and throughout our tour across Canada last winter, the issue most bluntly put by most agricultural organizations was whether certain commodity producers would be able to survive in western Canada, British Columbia, the Maritimes or, more particularly, eastern Canada as represented by Ontario and Quebec. The question is simply, who is going to continue in the agricultural business? What producers in western Canada are afraid of, and I believe this has been echoed in speeches made by other members from western Canada, is that the weight of political opinion will result in marketing quotas loaded in favour of eastern Canada if this legislation is passed in its present form. This is a very real and legitimate fear, Mr. Speaker.

Some hon. Members: No.

Mr. Murta: Hon. members opposite say no. I hope they are right. But this is a genuine fear which has evolved out of discussions and the exercises we have been going through during the last three years or so, so far as western Canada is concerned. Every time we talk about quotas, Mr. Speaker, we have to talk about supply management because without supply management, or a form of it, we would not be looking at this type of quota allocation. I have heard hon. members on the other side discussing supply management, but for my part at least I think they ignore the need for imaginative marketing programs in their efforts to impose this legislation on farmers. Experience has shown that many marketing boards of the kind hon. members opposite seek to establish—

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

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I probably will not take the full ten minutes I am allowed, but I

would like to express my disappointment that the government has not accepted the original wording of the amendment of my hon. friend from Saskatoon-Biggar (Mr. Gleave). I am not a professor of English, but let us look at the intent of the original suggestion of the hon. member. He said in his motion:

In allocating additional quotas for anticipated growth of market demand, the marketing agency shall be guided by the principle of comparative advantage of production.

Now we find in the amendment introduced by the government a change in the words "be guided by" to "shall consider". Mr. Speaker, maybe we are playing with words, and maybe we are not. As I look at the situation I begin to wonder whether or not there is not a trade-off between the rich provinces of Quebec, Ontario and British Columbia. It bothers me when I see people playing with words, which is what happens when we get into the back rooms of the House of Commons and talk of trade-offs. When talking about a trade-off it is easy to play with words.

Motion No. 27 as originally introduced by my hon. friend from Saskatoon-Biggar was satisfactory and I wonder now what is not satisfactory about it. As I look at the Minister of Agriculture (Mr. Olson) opposite, I begin to wonder whether somebody has been playing with words in this particular amendment. As I look at the words "shall consider", I think of what those words would mean to me were I talking about labour negotiations, Mr. Speaker. They would mean absolutely nothing. "We shall consider" could well mean that we shall not necessarily implement that which we are considering.

As we talk to members from all parties in the House of Commons we realize that considerable time was taken up by the various caucuses of the House playing with words and trying to distinguish whether "shall consider" would be better terminology, as far as this amendment is concerned, than "shall be guided by". The original words "shall be guided by", in my opinion, Mr. Speaker, meant shall be guided by the historical rights that we have known for the last five years. Now the wording has been changed to "shall consider" what have been the historic rights of the producers across this nation for the last five years, and I am inclined to believe that the words we have today are not what was intended in so far as this amendment was concerned.

As we look at the population growth across Canada I become all the more certain that the words we have before us today should not be in this amendment. When we consider the type of producers we have across Canada, as we look at the type of control we have in the two main provinces—the population-growth provinces of Ontario and Quebec—and the increased population growth we are seeing in British Columbia, I begin to wonder whether the words we have now, "shall consider", will really serve the purpose which was intended. When we in Canada introduce legislation which should mean something to all of Canada, to all the agricultural producers across this land, then we should not be playing with words. Either we accept an amendment or we do not accept it. In the case before us now, I fear that we may be accepting words in an amendment which may not be in the best interests of Canadian agricultural producers insofar as all their historic rights are concerned.

I wonder, sometimes, about a government which will introduce legislation, such as the Minister of Agriculture is introducing here, when even he himself hesitates to approve certain amendments because they may not be to the liking of his particular constituency. As we see the elimination of the original intent of some of the amendments to Bill C-176, I become very firm in my belief that as far as the government is concerned this bill means absolutely nothing to the agricultural producers of the nation and will mean nothing to the individuals who will be affected.

• (8:20 p.m.)

It is understandable that many Members of Parliament from Ontario and Quebec are here to protect the vested interests of their particular province. As far as I am concerned, I was not elected to represent only the constituency of Moose Jaw but to represent the Canadian agricultural economy as a whole. I do not stand here to suggest that what is happening tonight is in the best interests of the agricultural producers, because it is not. Agricultural producers across Canada will realize that what this government has foisted upon them will do them no good whatsoever. It will be good for the provinces of Quebec, Ontario and possibly British Columbia in the future.

We are here to represent the smallest and largest producers in Canada. We are not here to protect vested interests wherever they may arise. Members of Parliament should know that they are here to protect the agricultural economy of Canada and not to protect only the vested interests of their particular provinces or constituencies. They should be interested in one nation. I shall find it very difficult to support a bill that has been subjected to the type of erosion to which this bill has been subjected. If we are asked to allow this type of tradeoff at the expense of the agricultural economy, it is high time we stood up and said exactly what we think. As far as I am concerned, I am for the agricultural economy of Canada, all ten provinces. I am not here to represent any vested interest.

When we look at this bill and amendments such as the one introduced by the hon. member for Saskatoon-Biggar, we must consider whether historic rights will really mean anything in the future. I can only suggest that the people of this country have been taken by a government that is insensitive to the agricultural problems across this land.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Mr. Horner: Is the 90 minutes up, Mr. Speaker? If not, I would like to speak.

The Acting Speaker (Mr. Laniel): Has the hon. member already spoken on the amendment?

Mr. Horner: No.

The Acting Speaker (Mr. Laniel): The hon. member for Crowfoot (Mr. Horner).

Mr. J. H. Horner (Crowfoot): I will not be very long, Mr. Speaker. I agree with the former speaker. There are two aspects of this amendment, the theme of which should be dealt with. Much of the debate of the agricultural commit-

tee centred around the concept of allowing regions which have a comparative advantage to continue to have that advantage. This is the only way we can maintain a national, efficient agricultural industry as suggested in one clause of the bill. If this is what is intended, this amendment should be accepted and some changes should be made.

The amendment deals with the question of "over a period of five years immediately preceding the effective date of the marketing plan". I think it would be far better if it were over a period of five years immediately preceding the establishment of changes in quotas. This would allow a moving five-year period and a far slower change in the quota system. As I understand this amendment, after the effective date of the marketing plan the last five years can be looked at and adjustments made accordingly. After first establishing the quotas, they no longer have to look at the previous five years. I do not think this is right.

Members of this House and officials of the Department of Agriculture have long been guided by the price stabilization theme. The minister and this government have abused it. In their wisdom, they have not tried to keep up the prices of agricultural products. That is their decision and they must account to the voters for it at the next election. In that bill there is a moving ten-year period in which agricultural products are priced accordingly at an 80 per cent minimum. In most cases the government has accepted the 80 per cent minimum and has gone no further.

I see the minister slapping his desk, indicating approval. The theme of that bill is a moving ten-year period and it sets an 80 per cent minimum. In setting prices for commodities, the cost of production should be taken into consideration. This bill was debated long before the present government assumed office. They probably do not remember the debate that centred around the cost of production figure that was written into that bill. Therefore, they pay no heed to it. It is regrettable that they do not.

In any event, we should have a moving five-year period in which changes in quota patterns would develop. I do not know why this government is so afraid. They think the agencies will be guided by the principle of comparative advantages of historic marketing patterns. That is why they want to change these words to "shall consider". This definitely weakens the amendment. It makes the amendment hardly worth spending 90 minutes on when our time is so severely rationed. We have to deal with 30 amendments before ten o'clock. I can think of many amendments more worthy of spending 90 minutes on than an amendment that changes the words "be guided by" to "shall consider". It is regrettable that the government has done this. It destroys the best part of the amendment.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to make some comments on this amendment. I think that we worry too much about the allocation of production quotas, which will be done in due course. We seem to forget that after all there will be a negotiation at the provincial level and that the production quotas will be established with the approval of the provinces.

[Mr. Horner.]

I would like to refer to the remarks made by the hon. member for Moose Jaw (Mr. Skoberg) who fears that some members might be tempted to express a provincial point of view. I would be dishonest if I were to say that I do not stand up for the interests of Quebec. Of course, my first duty is to work for my province and I concede to all hon. members that this is also their first duty. I do not consider it honest to claim that one stands up for the interests of Canada by forgetting at the same time to stand up for the interests of one's own province.

Working in the interest of my province is also working in the interest of Canada.

I should not like to dwell further on the matter, nor should I want to miss the opportunity to express my hope that the bill will have favourable results for my province. The province of Quebec, as indeed any other province, can benefit from the bill because of the co-operation and co-ordination between all Canadian provinces it involves.

The concrete results of the legislation are based on co-ordination and on the negotiations which can take place around one table. The purpose of Bill C-176 is to unite, for once, the ten provinces in the setting up of production quotas. Such discussions and negotiations will eventually achieve a control of production, advantageous for both small and medium producers who are now experiencing difficulties.

It is therefore wrong to claim that small producers will suffer hardship as a result of these production quotas. Quite the contrary, when these quotas will be guaranteed to them, they will have the certainty of selling their products ar normal prices and this, I believe, justifies hopes of better times.

• (8:30 p.m.)

[*English*]

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the amendment to motion No. 27. Shall the amendment carry?

Some hon. Members: Agreed.

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

Amendment (Mr. MacEachen) to motion No. 27 agreed to.

The Acting Speaker (Mr. Laniel): The question is now on motion No. 27 as amended. Shall the motion carry?

Some hon. Members: Agreed.

An hon. Member: On division.

Motion No. 27 (Mr. Knowles, Winnipeg North Centre, for Mr. Gleave) as amended, agreed to.

The Acting Speaker (Mr. Laniel): Pursuant to the grouping made on April 27 last, the House will now proceed to the consideration of motions Nos. 2 and 3 standing in the name of the hon. member for Crowfoot (Mr. Horner). Motion No. 2 reads as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national

marketing agencies for farm products, be amended by adding the following to subclause (c) of clause 2 at line 17, page 1:

"except cattle and calves and products of beef and veal".

Motion No. 3 reads:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (c) of clause 2 at line 17, page 1:

"except hogs and pork products".

Mr. J. H. Horner (Crowfoot): Mr. Speaker, as I understand it, we are dealing with motions Nos. 2 and 3 together. I do not want particularly to cause a vote or to take up very much time, but I believe an explanation is necessary. The hon. member for Swift Current-Maple Creek (Mr. McIntosh) has already moved a subamendment to motion No. 1 which suggests that cattle and calves should be exempt from the provisions of this bill. I shall not ask for a roll-call vote on motions Nos. 2 and 3, but now that the House has seen fit to limit this bill so that the supply management aspect of it applies only to the poultry industry I see no purpose in the bill applying to the cattle industry.

Some might say that the cattle industry, the hog industry and all other industries can organize national organizations, and that the national organizations can concern themselves with research into producing better products and better marketing facilities. The Canadian Cattlemen's Association is a national body. It has a check-off in four of the ten provinces, British Columbia, Alberta, Saskatchewan and Ontario. An amount of ten cents a head, or part of it, for every head of livestock sold in those four provinces goes toward the maintenance of the Canadian Cattleman's Association as a national body. Any other association can join and enjoy the check-off privileges.

An hon. Member: Is that a privilege?

Mr. Horner: Yes, it is in respect of such a worth-while body. The Cattlemen's Association has done a great deal of work with the Canadian Department of Agriculture in trying to bring about a better system of marketing. This association has involved itself deeply in the marketing of its product. If cattle and calves were included in this bill, this would give food for thought to those who are opposed to the Cattlemen's Association, which is now established, in respect of setting up another national organization.

With two national organizations there could be a dispute concerning where the check-off money should go. In fact, the Cattlemen's Association, which has done so much good work in market research and research generally, would probably end up in a dispute as to which organization the check-off should go. This would probably destroy the Cattlemen's Association and it might take five or six years to get another one back on the road.

There is no need for cattle to come under the provisions of the bill. At the present time cattle are not included in the provisions of the bill, because an application can be made to have cattle come under the provisions of the bill but this will never happen. This is not the case in respect of the hog industry. This industry does not have a national organization. There are provincial organizations and provincial check-offs for some of the provincial organizations, but there is not a national check-off similar to that in respect of the Canadian Cattlemen's Association.

With that clarification in respect of some of the negotiations of a week or so ago, most hon. members realize there is no purpose in cattle being included and the amendment moved by the hon. member for Swift Current-Maple Creek might as well be accepted. The Minister of Agriculture (Mr. Olson) promised a long time ago that he would take cattle and calves out of the provisions of the bill. He has not demonstrated clearly that he really wants cattle and calves excluded from the provisions of the bill.

This amendment and the amendment moved this afternoon give the minister a clearcut opportunity to vote in respect of his earlier intention of allowing cattle and calves to be removed from the provisions of the bill. Without saying any more, I am prepared to not call for a roll-call vote in respect of motions Nos. 2 and 3, and if the House wishes we might proceed to another group of amendments.

Mr. Cliff Downey (Battle River): Mr. Speaker, in speaking to these amendments relative to the exclusion of cattle and hogs from the provisions of the bill, I should mention that there is great concern even on the part of people who have accepted the concept of provisions being included in the bill by means of a national plebescite. Let us look at the provincial figures. I have the figures for the last census, namely, 1966. The farmers who raise cattle, hogs and sheep are grouped together in this listing. In Ontario there are 28,809; in Alberta, 20,418. Dairy farmers are listed separately. There are 21,000 of them in Ontario, which would leave a net balance of about 7,000 beef or hog men. In Alberta, if you subtract 2,000 there are about 18,000 left.

• (8:40 p.m.)

The fear that these people have with regard to a plebiscite is that a plebiscite of the majority of producers in other sections of Canada, other than those where the bulk of beef or hogs is raised, by virtue of the number of producers could very well bring the other portions of Canada under the Sections of the act. I think it is very important when we look at this bill that we identify who shall be classified as a producer. I do not know how we will do that under any concept of supply management, because all the dairy farmer of Ontario or Quebec has to do is keep back his steer calves, feed them out, and he is a bona fide beef producer just as much as the man in the west who does nothing else for his livelihood but raise cattle. He also is a bona fide meat producer.

This is the kind of problem and concern that is worrying people and brings members such as the hon. member for Crowfoot (Mr. Horner) and the hon. member for Swift Current-Maple Creek (Mr. McIntosh) to their feet wanting the specific exclusion of cattle and calves. They realize that if it comes right down to the people who are actually raising beef, numerically speaking in any plebiscite they would be at a disadvantage. I say to you, Mr. Speaker, that this is a question that has always haunted beef and hog men. I am referring to how a national plebiscite could be conducted. I will quote an excerpt from the *Farm and Country* magazine of December 21 to illustrate what goes

on and how areas of Canada can divide up the market on an equitable basis. It reads as follows:

> Some of Ontario's broiler chicken farmers are a little restless. They fear that too much may be given Quebec in current market sharing negotiations. Several have voiced an opinion that the two provinces should serve their own markets. Thus, Ontario with a population of 7 million and Quebec with a population of 6 million would produce a formula split of 7 to 6.
>
> But there has to be some give and take. Currently Quebec has been asking for 39 per cent of the national market, with 35 per cent for Ontario—the two provinces have 74 per cent of Canada's output. "We couldn't get our producers to accept this," says Ontario broiler board manager John Janzen. "It would mean giving Quebec part of the Toronto market".
>
> However, Jansen adds, Ontario chicken growers might accept a 50-50 split. "But there's been a lot of reluctance." A 50-50 split means that Ontario and Quebec each would have 37 per cent of the national market. In effect, this arrangement would give Quebec more than 500,000 consumers living in Ontario—what is known as the Ottawa market.

Here we have two provinces in Canada arguing over how they are going to split up their percentage of the national market. In effect, we have a situation where the two provinces have 74 per cent of the national broiler market with something like 59 per cent of the population. I say that anybody who does not live in one of the more densely populated areas of Canada, who lives in an area where there is considerable production, will live in constant fear of being brought into the ambit of this act against his will.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I suppose it can be considered unusual for an urban dweller to say something on this bill and in particular on the amendments brought forward by the hon. member for Crowfoot (Mr. Horner). Throughout this debate I have been concerned about one thing. I have heard much about the producer, but it seems to me that no one has paid much attention to the consumer. It seems to me that we should be able to give some assistance to the consumer and assure him that costs will not rise. Throughout all the briefs, the underlying theme seems to have been that costs to the consumer will rise. I was very impressed with the brief of the Winnipeg Chamber of Commerce and I would like to quote parts of it.

Mr. Rose: You were impressed? I thought it was disastrous.

Mr. Alexander: Yes, I was. This brief is dated February, 1971. In it we find the following statement:

> The Winnipeg Chamber of Commerce is fully cognizant of the need for an improved marketing mechanism at the basic producer level while at the same time taking note of the fact that any legislation affecting this segment of the economy will have substantial implications for the intermediate stages of processing and distribution as well as for the ultimate consumer.
>
> While recognizing the need for an improved marketing mechanism at the primary producer level, the Winnipeg Chamber of Commerce wishes at this time to re-emphasize the fact that market prices, as determined by normal demand and supply relationships, are an indispensable part of our free enterprise economy. Legislation in this area should be designed to augment the free market rather than circumvent it through artificial restrictions and controls.

[Mr. Downey.]

It seems very strange to me, when I look at clause 22 of the bill—and perhaps I will be corrected if I am wrong—to find that only one paragraph of the clause refers to the rights of the consumer. I refer you to the clauses entitled "Objects" and "Powers". Clause 22 (b) provides:

> to have due regard to the interests of producers and consumers of the regulated product or products.

In my view this is only a pious declaration of an intention on the part of the government because it does not spell anything out and it does not protect the consumer. The consumer is not represented. Supply management seems to have been mentioned very often in this debate, and it is not accepted by many people because it hampers free trade among provinces. So far as international markets are concerned, we will be shafted and in the long run it will add to the costs of the producer which will certainly be passed on to the consumer. I should like to put on record that when we deal with legislation such as this, in the long run we must be concerned about what will happen to the consumer. This provision will mean a hidden tax. The consumer will have to pay more for his goods.

It pleases me to note that after some deliberation and consideration the government was able to come upon a solution which allowed the vast majority of producers, except those who in the long run will be able to do as they see fit through enabling legislation, to take advantage of the act. I think there should be more debate on the ultimate cost to the consumer arising from passage of this bill. We would be well advised to think of that aspect of the matter.

• (8:50 p.m.)

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I think it is generally known that I have always had a great deal of respect for members of the House of Commons who have spoken on agricultural marketing, grain bills, and other agricultural legislation. I have always been amazed at how many experts on agriculture there are in the House, but less impressed with the amount of expertise.

We have just heard from the hon. member for Hamilton West (Mr. Alexander), a notable lawyer and a very fine fellow. I am sure that when he got out of college and was given a piece of scroll which said, "You are now a lawyer," he did not go downtown and put up a sign, saying he was open for business as a lawyer. No, Mr. Speaker, he went to the legal profession and they welcomed him and told him to listen to them. They told him "When we have decided you are ready, you can go and put up your shingle and say that you are a lawyer, that in our opinion you are prepared to function, to operate, and to charge fees." They call that being admitted to the bar.

The farmer is a little bit better off than that, Mr. Speaker. I suggest that in every industry in Canada, in the United States, and in fact in most of the countries of the world a type of supply management is exercised. You will not find the automative industry building cars without a market. The minute those people realize the potential of the market is drying up they stop building cars. As a matter of fact they have the industry so well organized that they do not even make a car any more until you buy

the thing. Yet people expect the agricultural industry to produce and produce.

If it is a perishable product that is produced then that is just too bad. People will say, "Lower the price way below the cost of production, and hopefully somebody will buy it." From my experience in the perishable products industry I can tell you that people do not always buy. And when they don't, apples go in the dump, baby chickens go in the ash can, and eggs are turned into some kind of egg solid. In other words, the farmer is supposed to say to the world, "I have produced this product. How much will you give me for it?"

I would like to be able to go into the office of the hon. member for Hamilton West in the morning and say to him: "I have two houses that I wish to convey today. I have looked at the market price, and the market price for conveying appears to be $87.50 per house. I want this done by two o'clock this afternoon. If you don't get it done by two o'clock this afternoon I shall take my business somewhere else." Just imagine trying to do that sort of thing.

I am not opposing the system by which the legal profession works. I think it is a very fine system. I think it serves their industry. They discipline themselves. They say to certain members of the bar, "You are not doing the right thing. We, the members of the bar, shall discipline you because you are doing the wrong thing."

Mr. Horner: Mr. Speaker, I rise on a point of order. I believe that we are still on amendments Nos. 2 and 3. The hon. member is making what I would call a third reading speech. Doesn't he want to stay here until midnight? He is the one who is keeping us here so late.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Order, please. The point raised by the hon. member for Crowfoot is well taken. On the other hand, with the limited time available for debate, the Chair generally has given a little leeway to hon. members if only for the purpose of preventing too much time being spent on points of order.

Mr. Horner: On the same point of order, Mr. Speaker, we have from now until ten o'clock to deal with about 20 or 25 amendments, and then we will start to vote on them. The hon. member should deal with this amendment and make his third reading speech later.

Mr. Pringle: Mr. Speaker, I appreciate the advice of the hon. member. I have never made a speech in this House when the hon. member for Crowfoot (Mr. Horner) has not stood up and helped me out. As a relatively new member I appreciate this. He and I sit on the same side of the House, although I am a government member, and I can assure him that I will certainly return the favour.

I was merely responding to statements made by the hon. member for Hamilton West. Whether we are going to eliminate cattle and calves, or eliminate potatoes, the point I would like to make is that this is not new legislation. This is not something that has never been tried. This is not something that is suddenly foisted upon the agricultural producers of Canada. This is simply enabling legislation to assist people involved in the industry, if you like in cattle production, or potato production, or in any other type of agricultural production, to create within their commodity groups a national organization.

For many years we have had provincial marketing boards. My province of British Columbia has been a leader in planned production, in orderly production and orderly marketing. It is a province which has probably been more successful in all types of agriculture than any other province, and its farmers get their money from the market place instead of from the taxpayers, unlike farmers in a lot of other areas. I think we should be concerned to provide this opportunity to all segments of the industry, including those people engaged in the cattle business.

I have never ceased to be amazed at the little knowledge which the hon. member for Mackenzie (Mr. Korchinski) and the hon. member for Crowfoot have displayed with regard to present day marketing boards. I do not believe they have ever actually attended a marketing board meeting. I am not sure they know who the marketing board people are, that they can call the presidents by name; and here I refer to the egg, turkey and butter boards. I do not think they have investigated and discovered what is a contemporary marketing board.

This bill is simply enabling legislation that is being made available to all commodity groups in Canada. The bill makes it very plain that it is not intended to be forced on anybody.

Another point which I wish to make, and make forcefully, is that this is a producers' bill, not a bureaucrats' bill. The producers of Canada—

• (9:00 p.m.)

The Acting Speaker (Mr. Laniel): Order, please. I regret I have to interrupt the hon. member but the time allotted to him has expired. The hon. member for Richmond (Mr. Beaudoin).

[*Translation*]

Mr. Léonel Beaudoin (Richmond): I wish to make a few comments, Mr. Speaker, on the amendment before us, which was proposed by the hon. member for Crowfoot (Mr. Horner) concerning cattle and calves.

I think it is necessary first to know who wishes cattle and calves to be included in the bill. We all received a letter dated April 15, 1971, which read as follows:

To all members of the House of Commons, Ottawa, Canada.

First, let me remind you that the Canadian Cattlemen's Association is the national organization representing beef producers throughout Canada. Beef producers are also represented by strong provincial associations affiliated with the national organization.

As to the question to which I am going to refer, I can state positively that it received unanimous agreement from the various provincial organizations and from the Canadian Cattlemen's Association.

The purpose of this letter is to state our position concerning Bill C-176, an act to establish national marketing agencies for farm products, the approval of which we believe is impending.

The intent of this bill, as you will understand, is to allow the enactment of laws to vest the federal government with vast powers regarding the production and marketing of all farm products, except milk and wheat which are already regulated.

It is for strong reasons of principle and sound economic management that beef producers rejected Bill C-176 and asked that their product, steers and calves, namely beef and veal, be exempted from the bill. As responsible Canadian citizens we repudiate

the bill as a whole but we have no mandate to speak on behalf of producers of other farm products.

Following our appeal concerning such an exemption, we were given written assurances by the Minister of Agriculture, the Hon. H. A. Olson, that our product would be exempted. However, in spite of three separate appearances before the standing committee on agriculture, the majority of committee members forced the inclusion of our product in this bill.

Our position can be briefly summed up as follows.

When a proposed legislation affects some sector of our society while it was not sought nor wished for by that sector, when it cannot be proven that the proposed legislation is essential to the general interest of society, we consider that government has no right to impose such a legislation to such a sector.

If you agree with this proposition, we suggest that you should admit that the beef industry is entitled to exemption from Bill C-176. We have challenged the supporters of this legislation and the members of the Committee on Agriculture to show us how general interest will be served by the inclusion of our product, and they could not take up the challenge. We have explained that we were not seeking nor wishing for such a legislation. Therefore, we suggest that our right to an exemption from this legislation is evident for all those who care for justice; therefore, we call upon you to support our claim for exemption from this legislation.

The beef producers are still strongly attached to democratic principles allowing popular participation in the working out of a legislation and representative government. Although our efforts aimed at exemption obtained consensus among beef producers and their representative bodies throughout Canada, up to now our appeals have not been listened to.

Mr. Speaker, I believe that such a letter is self-explanatory. The associations of cattle breeders in no way want this legislation to apply to them; they do not even want to hear about it. I believe that the House has no right to force upon a group of producers a legislation which they do not want.

[*English*]

Mr. Mark Rose (Fraser Valley West): Speaking briefly to this particular motion, Mr. Speaker, while I agree in general terms with my colleague from Fraser Valley East (Mr. Pringle), I must emphasize that there is no truth in the rumour that we are actually relatives.

In speaking for my party I should like to say that we do not support the motion advanced by the hon. member for Crowfoot (Mr. Horner). I can understand why he and the hon. member for Battle River (Mr. Downey) feel strongly about this motion, since they represent ridings in which the cattle industry is prominent.

The Minister of Agriculture (Mr. Olson) might be similarly affected by this, but while he did agree, under some kind of pressure of which I know nothing, to withdraw particular reference to cattle and calves prior to the second set of committee hearings on the bill, I think it should be pointed out that it was not he who put cattle and calves back in the bill but rather the committee. It is only fair to state this. I notice the minister smiles. He has not smiled a great deal lately so I do not mind his smiling now.

I can understand the position of the hon. member for Crowfoot and the hon. member for Battle River; they are concerned because the cattle business is an important industry in their ridings. However, Mr. Speaker, I really could not understand the hon. member for Hamilton West (Mr. Alexander). I do not know why he was taking part in this debate at all. The hon. member for Crowfoot scowls at me now but it was he who complained bitterly about the time being taken up on this particular motion on the grounds that we wished to get to some other amendments before ten o'clock. I should like to point out to him that three Conservative members spoke—

Mr. Alexander: On a question of privilege, Mr. Speaker.

Mr. Deputy Speaker: The hon. member for Hamilton West rises on a question of privilege.

Mr. Alexander: I think the hon. member for Fraser Valley West (Mr. Rose) believes that he has the wherewithal to become involved in a debate such as this. I should like to advise the hon. member that we who have been elected to sit in this hallowed Chamber have every right to discuss any matter that comes before us as parliamentarians. He may think I know very little about agriculture, but I certainly know that when my wife goes to the grocery store to buy foodstuff she is very concerned about prices. All I am trying to do—

Mr. Deputy Speaker: Order, please. The hon. member for Hamilton West has the floor on a question of privilege. It seems to the Chair that if he has such a question he should state it very briefly.

Mr. Alexander: Mr. Speaker, I think that the hon. member, being a gentleman, should withdraw the remarks that he made questioning my right to take part in this debate.

Some hon. Members: Hear, hear!

• (9:10 p.m.)

Mr. Alexander: I will not insist, but I should like a ruling from the Chair to the effect that whenever a member feels the urge—

Some hon. Members: Oh, oh!

Mr. Alexander: —to become involved in a debate in this House, he should be allowed to do so. Qualifications or brilliance are not required; the only requirement is sincerity. I hope the hon. member who has the floor will offer an apology and will, in his usual charitable way, withdraw the unkind remarks he directed at the hon. member for Hamilton West.

Mr. Rose: Mr. Speaker, as usual, when the hon. member for Hamilton West rises to make any point or ask a question, his remarks go on for hours.

Mr. Alexander: Withdraw!

Mr. Rose: I am usually persuaded by his remarks. Therefore if I have said anything to offend the hon. member certainly I will be pleased to withdraw those remarks.

Mr. Alexander: That was close, but not quite good enough.

An hon. Member: Take advantage of that, Rose.

Mr. Knowles (Winnipeg North Centre): And a happy New Year to both of you.

Mr. Rose: I would ask the hon. member for Hamilton West if he does not feel that farmers should be given the

same right to protection in the market-place as any other group of citizens. If he does not feel that, he should go back to his riding and tell that to the steelworkers union.

An hon. Member: And the lawyers.

Mr. Rose: Should farmers not have the same rights as lawyers, doctors, dentists and others?

Mr. Horner: That is hogwash. There is no foundation for that statement. The hon. member is wasting time.

Mr. Rose: The hon. member for Crowfoot (Mr. Horner) suggests this is hogwash. So far as I know, he has not spoken in defence of the producers of swine. I think anybody who knows as much about hogwash as he does would be up defending the hog producers. Instead, there he sits in his place, picking his teeth.

To get back to the point, much has been made of this business of withdrawing cattle and calves from the bill. Certainly the terms "cattle and calves" has been removed from the bill. I think that was a moral victory or at least, it was a verbal victory and perhaps a euphemistic victory for the hon. member for Crowfoot. If cattle and calves are not included among natural farm products, what are they? So cattle and calves are included in the bill, despite the efforts of the hon. member for Crowfoot, whose efforts I admire. He is a dogged man and doughty—

Some hon. Members: Oh, oh!

Mr. Rose: He is a dogged fighter.

Mr. Horner: If the hon. member were a little more doughty he would go a long way, too.

Some hon. Members: Hear, hear!

Mr. Rose: Mr. Speaker, I think I have made it quite clear that members of my party do not support motion No. 2 put forward by the hon. member for Crowfoot. If there is to be a marketing act in Canada covering natural products, it should be all-inclusive. That is why we are pleased to support the minister's amendment which included all natural farm products.

Mr. Horner: Why are you supporting the motion now?

Mr. Knowles (Winnipeg North Centre): We are not.

Mr. Horner: I am speaking of the subamendment moved by the minister. Why are you people supporting it?

Some hon. Members: Oh, oh!

Mr. Rose: Mr. Speaker, I think you should call for order. In the words of the hon. member's leader, a leader who is not here tonight—

Mr. Horner: Where is your leader? Answer that one.

Mr. Rose: —I want—

Mr. Horner: Where is your leader?

An hon. Member: Where is Alfie?

Mr. Horner: Withdraw that last remark.

An hon. Member: Explain.

Some hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please.

An hon. Member: Explain.

Mr. Paproski: Shame on you, Rose.

An hon. Member: Where is your leader?

Mr. Mahoney: They don't know where he is, but they know who he is.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The hon. member for Fraser Valley West (Mr. Rose).

Mr. Rose: I was going to ask hon. members on my right who are making catcalls—

Mr. Forrestall: Where is Alfie?

Mr. Rose: —if they would be kind enough to put them in sequence so that the *Hansard* reporter can get them all down.

Mr. Forrestall: Where is Alfie?

An hon. Member: Where is David?

Mr. Forrestall: Yes, where is David?

Mr. Rose: I would suggest to you—

An hon. Member: There are three NDP members in the House.

Mr. Forrestall: Where are the rest? I see five NDP members in the chamber.

An hon. Member: Who are they?

Mr. Forrestall: I beg your pardon. There are only four and a half.

Mr. Rose: Mr. Speaker, at long last I am pleased to be convinced that the hon. member for Dartmouth-Halifax East (Mr. Forrestall) can actually count. He has demonstrated his ability tonight.

Mr. Skoberg: He has not got it right yet.

Mr. Forrestall: Where is Alfie?

Mr. Rose: If we are to have a comprehensive agricultural marketing bill, a national marketing bill, I think it will be necessary to include in it all the products of agriculture. Therefore, we cannot support the amendment that is before us. It appears, on the one hand, to judge from what we learned in Edmonton hearings, that the cattle producers say they want no government interference. They want a continental market. On the other hand, they want tariff protection against Australian and New Zealand beef and they want the cheapest leased land they can get for their product. It seems to me that there is a basic inconsistency in this. So I suggest that the House should not accept this amendment. I think, in view of the agreement that has been entered into and the subamendment that has been moved to clause 2, motion No. 2 in the name of the hon. member for Crowfoot is redundant.

Mr. Forrestall: Where is Alfie?

Mr. Knowles (Winnipeg North Centre): Question.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, we have been discussing this question for months. I would also like to oppose this amendment. I submit that this bill should include all farm products, and I cannot refrain from objecting officially to an amendment aiming at excluding veal and beef.

The honourable member for Crowfoot (Mr. Horner) mentioned earlier that in certain provinces existing organizations do not feel the need for national legislation. When will it be understood that Bill C-176 leaves producers entirely free? These organizations will always be able to operate under this legislation if they so desire.

Now, obviously if these beef and veal producers were satisfied with current results, they would not have asked the federal government to pass legislation concerning their production. One never knows if those organizations will continue to work as well but this Bill C-176 is available to all categories of producers producing a certain item. So I wonder why there is still obstruction or discussion about the fact that in Bill C-176 some words were taken out of clause 2. As far as I am concerned it is a matter of interpretation. The fact remains that by virtue of the wording of the amendment introduced by the minister it is clear that beef and calf can still be subject to quotas if the majority of the producers involved so asked.

I appreciated the remark made by the hon. member for Hamilton West (Mr. Alexander) when he spoke of consumers and protection of the consumers. I think this bill is also aimed at protecting the consumers. In fact, we know quite well that the policy of supply and demand that prevailed up to now brought ups and downs to our producers. Overproduction would result in inadequate prices whereas underproduction would bring about an increase in those same prices. The consumer has always been subjected to those ups and downs and has never experienced any stability or assurance. Orderly production will allow the setting of reasonable prices for producers. It is imperative that the consumer should permit the producer to obtain such reasonable prices. Briefly speaking, the consumer will be protected inasmuch as the farming industry in Canada will be sound and healthy. It is a protection for the consumer to have legislation which will allow all producers in Canada to earn adequate income.

I was both surprised and disappointed at the argument brought forth by the hon. member for Richmond (Mr. Beaudoin) when he said he was in favour of excluding cattle and calves. I fail to understand how an hon. member, especially and Easterner, could favour such an exclusion. Of course, I would have wished that the honourable member for Richmond would have been in favour of the inclusion in this bill of all farm products while obviously he did not understand this amendment, since it is very clear. Should it be said once again that most of the producers will always be free to be governed by bill C-176?

I am coming back to what I said a couple of days ago that Bill C-176, under this amendment as all the others, is only providing a service that will be useful to the farming community.

• (9:20 p.m.)

[*English*]

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

Some hon. Members: Question.

Mr. Deputy Speaker: I understand that motion No. 3 was not formally put to the chamber. It might be well to put it now, before I put the question on motion No. 2. Mr. Horner, seconded by Mr. Hees, moves:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products be amended by adding the following to subclause (c) of clause 2 at line 17, page one: "except hogs and pork products".

The question is on motion No. 2 in the name of the hon. member for Crowfoot. Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 2 (Mr. Horner) negatived.

Mr. Deputy Speaker: The question is on motion No. 3 in the name of the hon. member for Crowfoot.

Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 3 (Mr. Horner) negatived.

Mr. Olson: I should like to raise a point of order, Mr. Speaker. There are two very minor and inconsequential housekeeping amendments to which I should like to refer. One would change the number five to the number seven. The other relates to the Revised Statutes of Canada. I would be prepared to move them and to give a very brief explanation, if the House would give me consent to do so.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Horner: To my knowledge, these two amendments were not on the bargaining table, and they should have been if the minister wanted them. Since they were not on the bargaining table I do not give consent now.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. There is a rule in the book that when legislation is passed it is supposed to make sense and hold together. I do not have the exact wording, but there is such a rule. The Minister of Agriculture did show these two amendments to some of us. One of them is intended to change the number of a section of another act to which reference is made. If this change is not made, the legislation we pass will be incorrect in that it will refer to the wrong section.

The other has reference to the Revised Statutes of Canada. The change has to be made because the Revised Statutes for 1970 have been proclaimed since this bill was drawn up. It seems to me that these amendments ought to be allowed in the interest of drawing up a bill that makes sense.

Mr. Horner: On the point of order, may I say that the proposed amendment dealing with the Revised Statutes of Canada is one which deals with Revised Statutes which came into force on July 15. Where has the minister been since July 15? I have no sympathy with him and I must withhold consent.

Mr. Lessard (Lac-Saint-Jean): Very intelligent.

Mr. Paproski: You keep your mouth shut.

Mr. Lessard (Lac-Saint-Jean): I would prefer to keep my mouth shut rather than make a statement like that.

Mr. Deputy Speaker: I think the Chair has to make a determination on the basis of Standing Order 75(7). I will read it, and then ask the Minister of Agriculture whether he could give the Chair notice of the amendments. The Chair has no notice of the amendments at present, but if the minister would give notice I would be in a position to make a ruling.

Section (7) of Standing Order 75 states:

An amendment in relation to form only in a government bill may be proposed by a Minister of the Crown without notice, but debate thereon may not be extended to the provisions of the clause or clauses to be amended.

There is a note following the section which I will also read:

The purpose of the section is to facilitate the incorporation into a bill of amendments of a strictly consequential nature flowing from the acceptance of other amendments. No waiver of notice would be permitted in relation to any amendment which would change the intent of the bill, no matter how slightly, beyond the effect of the initial amendment.

If the Minister of Agriculture would give notice of the amendments he proposes, the Chair would be prepared to make a ruling on the basis of the Standing Order I have quoted.

Mr. Horner: On the point of order, Mr. Speaker, the leader of the House proposed a motion, a time allocation motion, which stated the House could take 90 minutes to discuss amendments Nos. 1, 5 and 22, 90 minutes to discuss amendment 18 and 90 minutes in debating amendment No. 27; and that in the remaining time between now and ten o'clock hon. members would deal with the other 25 amendments. No mention was made of these two amendments which the minister now proposes. We are spending ten minutes now dealing with amendments which are new to us. I regret very much that an amendment that has been necessary since July 15 should be brought forward at this point, without a word having been said about them previously, although negotiations have been going on for two weeks. I regret very much having to put back in the farthest corner of my mind the suspicions that lurk there following actions such as this.

Mr. Olson: On the point of order, Mr. Speaker, I can assure you that these two amendments do fall into the category you mentioned. One is intended to substitute a seven for a five, because the reference number in the Aeronautics Act has been changed. The reference is to exactly the same clause in that act, but it now has a different number.

As far as the other change is concerned, we hoped to delete clause 39, which was for the purpose of co-ordinating this bill with the Revised Statutes of Canada. As far as I am concerned, clause 39 no longer serves any useful purpose.

• (9:30 p.m.)

Mr. Deputy Speaker: I think this is an important point. The concern of the Chair, and I shall have to make a ruling, is that the amendments can only be accepted with the unanimous consent of the House. I read previously Standing Order 75(7). The explanatory note was obviously put there for the guidance of the Chair and hon. members. I will read it again:

The purpose of the section is to facilitate the incorporation into a bill of amendments of a strictly consequential nature flowing from the acceptance of other amendments.

That is probably the point on which the Minister of Agriculture (Mr. Olson) may founder. Unless hon. members or the minister can convince me that the amendments which the minister proposes flow from the acceptance of other amendments at this stage, I must rule they can only be proposed with the unanimous consent of the House.

Mr. Olson: Mr. Speaker, I will bring them in at the next session.

Mr. Deputy Speaker: Order, please. The House now has before it for consideration motion No. 4. The motion, moved by the hon. member for Crowfoot (Mr. Horner), is as follows:

That Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended

(a) by deleting from subclause (e) of clause 2 the words "regulation and control" at lines 6 and 7, page 2; and

(b) by deleting paragraph (iii) of subclause (e) of clause 2 at page 2 and by relettering subsequent paragraphs accordingly.

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the motion negatived on division.

Motion No. 4 (Mr. Horner) negatived.

Mr. Deputy Speaker: The House now has for consideration motions Nos. 6, 7 and 8. These motions are grouped together for the purpose of debate. Motion No. 6, moved by the hon. member for Wetaskiwin (Mr. Moore), is as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from subclause (1) of clause 3 the words "at least fifty per cent" at line 5, page 4 and substituting therefor the words "a majority".

Motion No. 7, moved by the hon. member for Crowfoot (Mr. Horner), is as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from subclause (1) of clause 3 the words "pleasure" at line 8, page 4 and substituting the following:

"good behaviour for a term not exceeding 7 years but may be removed for cause by the Governor in Council at any time."

Motion No. 8, moved by the hon. member for Crowfoot (Mr. Horner), is as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following as subclause (2) to clause 3 immediately after line 8 at page 4;

"(2) The Governor in Council shall be able to re-appoint council members who have served their full 7-year term."

and by renumbering subsequent subclauses accordingly.

The question is on motion No. 6. Is it the pleasure of the House to adopt the said motion?

Mr. H. A. Moore (Wetaskiwin): Motion No. 6 needs very little explanation in view of the fact the bill only concerns producers. If producers are going to control their own marketing agency, they must have a majority of members on that agency. That is all my amendment seeks. That is the only explanation I need give, Mr. Speaker.

Mr. Deputy Speaker: As hon. members know, these three motions are grouped for the purpose of debate. If hon. members wish to speak to the other motions, they should do so at this time.

Mr. J. H. Horner (Crowfoot): I wish to speak to motion No. 7, Mr. Speaker. I will be very brief. Most major statutes have the phrase "good behaviour" in them with regard to appointments. The National Transportation Act and the CRTC Act come to mind. When the committee dealt with this question I pointed out what I consider to be four major acts of Parliament. I refer to the National Transportationn Act, the act which controls television, radio and the media, and the Canadian Wheat Board Act. There are two or three others. They all spell out that appointments are made by the governor in council to hold office on "good behaviour."

Clause 3 of this bill states that members of the council will be appointed by the governor in council to hold office during pleasure. We in this House have witnessed the Minister of Agriculture (Mr. Olson) from time to time. We understand very well what the words "during pleasure" mean. They mean during the minister's pleasure. If the minister does not like the fellow, or if he is not doing what the minister wants, he goes.

I do not believe a council should work for a government. It should work for the producers and the good of Canada. The council should not necessarily be the tool of the minister responsible for reporting its actions to the House of Commons. Therefore, I ask all members of this House to accept the amendment which changes the words "pleasure" to "good behaviour". If a man is doing his job, even though it is not to the minister's pleasure, if it is for the good of the country and the producers and the marketing of the product concerned, he should be allowed to keep that job.

I will be requesting a recorded vote on this question because, Mr. Speaker, as I have suggested, four major acts of Parliament already have the words "good behaviour" in them.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I think this amendment is worthy of support by all members of the House. There was considerable discussion in the committee as to how our various acts operate. Because we made changes in this act in relation to members of the council being, in the majority, producer representatives, it is very important that they have a definite period of time. With respect to a number of government agencies people are appointed at pleasure. They have been moved when they have become unpopular with the government of the day. It is almost like the case of a roads commissioner. A change in government means a change in the roads commissioner, not because he did not do a good job but because "at pleasure" in the legal sense usually means that he moves. He may have done a good job, but he was on the wrong side of the fence.

There should be in a council as much continuity as possible. Provided a person behaves himself, seven years will serve much better than "at pleasure", which indicates an appointment for a political purpose and one not necessarily in the interests of continuity and impartiality. Now that we have made the change and put producers on the council, I think most members would agree that some freedom should be given to them. Really they operate their own business. They operate on behalf of the other producers who join them, and seven years seems to be a reasonable length of time.

• (9:40 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I believe that the amendments before us would certainly tend to guarantee certain rights to the producers.

It is proposed, first of all, to alter amendment No. 6 by deleting the words "at least 50 per cent" and substituting

therefor the words "a majority". I think we should all agree that if marketing agencies are established, it is for the purpose of marketing farm products. Under the circumstances, however, I think that a majority of producers should control these organizations.

With regard to amendment No. 7, I will say that it would be quite reasonable for the minister or the Governor in council to have the right, under this bill, to remove a member of the board who does not discharge his duties adequately, because it would not be in the best interests of the producers to have on the board a member without good behaviour. This bill should therefore provide for dismissal of anybody who does not carry out his duties satisfactorily.

[*English*]

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 6. Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the said motion please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the motion negatived on division.

Motion No. 6 (Mr. Moore) negatived.

Mr. Deputy Speaker: The question is now on Motion No. 7. Is it the pleasure of the House to adopt the said motion? All those in favour of the said motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: In accordance with the relevant standing order the division will be deferred until later this day.

The next question is on Motion No. 8. Is it the pleasure of the House to adopt the said motion? All those in favour of the motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the said motion please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it. I declare the motion negatived.

An hon. Member: On division.

Motion No. 8 (Mr. Horner) negatived.

Mr. Deputy Speaker: The chamber has before it now the consideration of Motion No. 9. The hon. member for Mackenzie (Mr. Korchinski) moves:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (1) of clause 6 immediately after line 17, page 5:

"(a) to submit to the minister, at the commencement of each production year, a list of prices which shall be paid for a regulated product for that year, such prices to be compensatory for the cost of production of such product;"

and by relettering subsequent paragraphs accordingly.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I welcome this opportunity and am grateful to the House for having dealt with the previous amendments in such haste so that I might utter at least a few words in support of this particular motion. I moved this motion in the committee after having had the assistance of various law officers of the House of Commons who advised me that it was in order. Later during the committee proceedings I was advised by the chairman that my motion was not in order. After bringing it to the House I now find apparently that it is now in order.

I am grateful to have this opportunity to speak to my motion because I believe it is germane to the whole bill. I believe the hon. member for Kootenay-West (Mr. Harding) mentioned that lawyers, doctors, plumbers and so on have a closed shop organization. They know precisely what they will get as a result of their negotiations. Whenever a union in this country negotiates it does so from the position that the members know next year precisely what they will get. If the producers of this country are to be regulated to the point where they will not be in a position to produce any more and are told so by a council, then they must have a price which is compensatory in respect of the cost of production.

It seems to me that we cannot have it both ways. If the producers are expected at any particular time to produce cheap food, and if a cheap food policy is to be incorporated in this bill, then all the small producers will suffer. The Minister of Agriculture (Mr. Olson) made quite an issue about there being some big people who will make fortunes out of this bill and I pointed out that there will also be people who will go broke. This is true. The people who have the quotas, the haves, will get richer and the have-nots will get poorer. The have-nots will be expected to produce and to produce at a price which is not economically feasible. They do not have any negotiators working on their behalf.

Mention is always made of the people who are the leaders in every community. They are the big fellows who come forward. They are the people who have made a success in a certain area and therefore are considered able to make a success of endeavours in another area. Because they are the people who have the lower cost of production it is considered that they are the people who should do the negotiating.

• (9:50 p.m.)

That does not necessarily follow. There are many smaller producers who will not have bargaining power. We are told that General Motors cuts down its production when it

does not have a market. However, when they bring out their 1972 models they also set the price.

I believe that a producer who is expected to put in a crop in the spring should also know what he will get for it. He does not, because many factors are involved, such as weather and other conditions which he cannot predict. He should also take into account that he is producing a commodity that is necessary but which will be regulated on the basis of the requirements of this country, which is a narrow way of looking at it. But it should be possible for that producer to know where he will financially be at the end of the year. He should be able to sit down with pen and paper and calculate how he is going to meet his expenses. If the whole principle of supply management is at all valid, which I doubt very much, that is how it should be.

I am always looking for greater efficiency on my farm. We are always struggling hard, looking for short cuts and economy. There are certain fixed expenses which cannot be avoided. I would like the House at this stage to take into account all the factors which enter into the cost of production. This amendment deserves consideration by members on both sides of the House.

Mr. Arnold Peters (Timiskaming): I would like to support this amendment and to indicate that while there is considerable difficulty in establishing a guaranteed forward price for a commodity, if we are going to have marketing agencies that are successful and that will produce what farmers expect of them—which is a fair price for a commodity having regard to the cost of production—prices will have to be negotiated by the farmer himself.

It is quite true that when the hon. member for Mackenzie (Mr. Korchinski) speaks of an annual forward price he is referring to a commodity which can be calculated on that basis. I think the minister will find that there are other commodities which fit into a production cycle, and the guaranteed price will be based on that cycle rather than annually.

Everyone agrees, I believe, that unless a forward price can be established there is little opportunity for the ordinary farmer to continue production of that commodity. It is true that when the feed companies are vertically integrated they can lose on the production of broilers and at the same time make considerable money in processing and converting their feed into broiler production. If they do not make anything on the broilers, they make it up on the feed, or vice-versa. So long as production is vertically integrated it will be very difficult for large producers to establish what will be a reasonable forward price.

It is for this reason that some of the farm organizations in Canada are asking that they be allowed to negotiate. The hon. member for Mackenzie pointed out that no union would start their work for the year, whether that be the contract year or some other designated time, until they knew how much they would get paid, which price would be negotiated. Obviously the farmers should be in a position to do the same thing.

The farmers union has suggested that they should bargain on behalf of the farmers across Canada, and other organizations have said that they are the people who should bargain for the farmers. I do not think it is enough to leave it to the agency to decide what the price will be on a day to day or month to month basis; but if the operation is successful, some forward guaranteed price will have to be established which will take into consideration the cost of production and profit. Anything less will mean, as it has in the past, that if the marketplace is the deciding factor the big ones will get bigger and the small ones will disappear from the scene. The Liberal government will then have accomplished one of its major aims, namely to get rid of the small farms across Canada.

I believe that negotiations will produce a guaranteed price on behalf of the individual. This is a collective operation on the marketplace, and anything less will be unsatisfactory so far as the small producers of any given commodity are concerned.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I think that amendment No. 9 meets a need which is becoming more and more obvious—as is clearly demonstrated, for instance, in the case of the Canadian Dairy Commission. Around the beginning of March, all industrial milk producers ask themselves questions and put pressure on members of Parliament and on the Minister of Agriculture in order to know, as early as April 1, what is the minimum price they will receive for the current year.

As I see it, producers would be best to manage their production according to the minimum prices which they expect to receive. So, if the policy which has been applied has improved the situation, it should, I feel, be applied to marketing boards. And I think the substance of the amendment is very appropriate. It reads as follows:

—a list of prices which shall be paid for a regulated product for that year—

Mr. Speaker: Order, please. I must remind the hon. member that the question is to be put in just a few seconds. Maybe the hon. member would end his remarks within 10 or 15 seconds.

Mr. Lambert (Bellechasse): Thank you, Mr. Speaker. I will do so within 10 seconds. This allows one to end a sentence better. I was quoting:

—such prices to be compensatory for the cost of production of such product;

So the cost of production should be taken into account in order to give producers a chance to make reasonable profits.

[*English*]

Mr. Speaker: It being ten o'clock, in accordance with the order made earlier this day it is my duty to interrupt the debate and forthwith put every question necessary to dispose of the report stage of Bill C-176. The Chair proposes to put first the motions which have not yet been put to the House so that we may determine which will be subject to a formal division.

The question will first be put on Motion No. 9. Mr. Korchinski moves Motion No. 9 as follows:

That Bill C-176, An Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (1) of Clause 6 immediately after line 17, page 5:

"(*a*) to submit to the Minister, at the commencement of each production year, a list of prices which shall be paid for a regulated product for that year, such prices to be compensatory for the cost of production of such product;"

and by relettering subsequent paragraphs accordingly.—

All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: The division will be deferred according to the Standing Order.

The question is on motion No. 10. Mr. Horner moves Motion No. 10 as follows:

That Bill C-176, An Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from paragraph (*a*) of subclause (1) of Clause 6 the words "efficient and competitive" at line 22, page 5 and substituting the word "viable" therefor.

All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

• (10:00 p.m.)

Mr. Speaker: I would like to make it clear to hon. members that by rising they are calling for a formal vote. This vote will be deferred.

Mr. Mazankowski moves Motion No. 11 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to paragraph (*a*) of subclause (1) of clause 6, immediately after the word "industry" at line 23, page 5:

"to the end that the economic and social viability of farm communities in Canada shall be enhanced and improved".

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: The division will be deferred.

Mr. Murta moves motion No. 12 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by inserting "(*a*)" in subclause (2) of clause 6 after the word "shall" at line 32, page 5 and by adding immediately after line 40 the following:

"(*b*) interpret and construe the provisions of this section upon the principle that, having due regard to the establishment and operation of agencies under this act and to constitutional requirements, implementation of a marketing plan or regulation of a farm product must not be of such a nature as, directly or indirectly, to

(i) affect prejudicially any comparative advantage inherent in the location where a farm product is grown, produced or marketed, or

(ii) constitute an undue obstacle or restriction to the interchange of a farm product between a province or region of Canada where no agency in relation to such product is established and any point elsewhere in Canada or to import or export trade in a farm product between such a province or region of Canada and any point outside Canada."

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 12 (Mr. Murta) negatived.

Mr. Speaker: Mr. Horner moves motion No. 13 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding to paragraph (*g*) of subclause (1) of clause 7 the words "and make all such findings public" immediately after the word "trade" at line 34, page 7.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 13 (Mr. Horner) negatived.

Mr. Speaker: Mr. Horner moves motion No. 14 as follows: .

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (1) of clause 7 immediately after line 34 at page 7:

"(*h*) shall study the effects of imports on the price quantity of products grown in Canada and make recommendations to the minister;"

and by relettering subsequent paragraphs accordingly.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: The division will be deferred. Mr. Horner moves motion No. 15 as follows:

April 19, 1971—That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from subclause (2) of clause 7 the words "or in the region of Canada" at line 31, page 8.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 15 (Mr. Horner) negatived.

Mr. Speaker: Mr. Baldwin, for Mr. Ritchie, moves motion No. 16 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding to Clause 7 thereof, next after line 33, page 8, the following:

"(3) Reports of the council to the minister under subsection (1) and reports compiled upon enquiries made or studies conducted under that subsection shall be public but where information that is in its nature confidential, relating to the business or affairs of any person, firm or corporation is given or elicited in the course of any enquiry or study, the information shall not be made public in such a manner as to be available for the use of any competitor or rival of the person, firm or corporation."

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 16 (Mr. Baldwin, for Mr. Ritchie) negatived.

Mr. Speaker: Mr. Horner moves motion No. 17 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended

(*a*) by deleting from subclause (1) of Clause 8 all the words at line 34, page 8 and substituting the following:

"Public hearings shall be held by";

(*b*) by deleting from paragraph (*c*) of subclause (1) of clause 8 the words "a public hearing" at line 9, page 9 and substituting the words

"public hearings"; and

[Mr. Speaker.]

(*c*) by deleting from subclause 2 of clause 8 all the words at line 11, page 9 and substituting the following:

"Public hearings may be held by".

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 17 (Mr. Horner) negatived.

Mr. Speaker: Mr. Horner moves motion No. 18 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from paragraph (*a*) of subclause (1) of clause 8 all the words after the word "agency" at line 37, page 8.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 18 (Mr. Horner) negatived.

Mr. Speaker: Mr. Horner moves motion No. 19 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting clause 10 and renumbering subsequent clauses accordingly—

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 19 (Mr. Horner) negatived.

Mr. Speaker: Mr. Southam moves motion No. 20 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting

from clause 11 all the words after the word "Capital" at line 5, page 10.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 20 (Mr. Southam) negatived.

Mr. Speaker: Mr. Horner moves motion No. 21 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from subclause 2 of clause 17 the word "may" at line 29, page 11 and substituting the word "shall" therefor.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: The division will be deferred. Mr. Horner moves motion No. 23 as follows:

• (10:10 p.m.)

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from clause 22 all the words after the word "powers" at line 14, page 15 and adding the following thereto:

"having due regard to promoting the greatest opportunity to the largest number of producers to acquire a standard of living comparable with organized segments of society."

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 23 (Mr. Horner) negatived.

Mr. Speaker: Mr. Horner moves motion No. 24 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from paragraph (*a*) of subclause (1) of clause 23 the words "of the same kind as" at lines 25 and 26, page 15.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 24 (Mr. Horner) negatived.

Mr. Speaker: Mr. Horner moves motion No. 25 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (1) of clause 23 immediately after line 38, page 17:

"(*n*) not broaden its authority unless granted in the terms set out in the original proclamation for an agency which the majority of producers supported;"

and by relettering the following paragraph accordingly.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: The division will be deferred. Mr. Peters moves motion No. 26 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to clause 23 immediately after line 17, page 18:

"(4) An agency shall negotiate with those farm organizations representing a majority of the producers of any commodity regulated by that agency in order to establish the forward maximum and minimum prices which the agency shall be allowed to accept for the product marketed in domestic and export trade.".

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: The division will be deferred. Mr. McKinley moves motion No. 28 as follows:

—That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of

national marketing agencies for farm products, be amended by adding thereto immediately after clause 36, the following:

"APPEALS

37. (1) Where any person deems himself aggrieved by any order, direction or decision of an agency he may appeal to the agency by serving upon the agency a written notice of appeal.

(2) Where any person deems himself aggrieved by,

(*a*) any decision of an agency on an appeal under subsection (1); or

(*b*) any order, direction or decision made by the council, he may appeal to the council by serving upon the council written notice of the appeal.

(3) Every notice under subsection (1) or (2) shall contain a statement of the matter being appealed and the name and address of the person making the appeal.

(4) Upon receipt of a notice under paragraph (*a*) of subsection (2), the council shall forthwith notify the agency and the agency shall forthwith provide the council with all relevant documents and other material, of any kind whatsoever, in its possession.

(5) In any appeal under subsection (1) or (2), the council or the agency, as the case may be, shall within seven days after the notice referred to in subsection (1) or (2) is received, serve notice upon the person making the appeal of the date, time and place at which the appeal will be heard.

(6) The council or the agency, as the case may be, shall hear any appeal under subsection (1) or (2) within thirty days after the notice of appeal is received but the council or the agency may adjourn the hearing from time to time for such reasonable period or periods of time as the council or the agency deems just.

(7) At any hearing under this section, the person making the appeal has the right to attend and make representations and to adduce evidence respecting the appeal either by himself or through counsel.

(8) At any hearing of an appeal under paragraph (*a*) of subsection (2), the agency has the right to attend and make representations and to adduce evidence respecting the appeal either by its officers or members or any of them or through counsel.

(9) Upon an appeal to the council under paragraph (*a*) of subsection (2), the council may, by order, direct the agency to take such action as the agency is authorized to take under this act and as the council deems proper, and for this purpose the council may substitute its opinion for that of the agency.

(10) The council or the agency, as the case may be, shall within ten days after the hearing is completed, serve notice upon the person making the appeal of its decision.

(11) A proceeding that is in substantial compliance with this section, is not open to objection on the ground that it is not in strict compliance therewith.

(12) Where a notice is served under this section, it may be served personally or,

(*a*) Where the notice is served on the council or an agency, by mailing the notice to the address of the council or agency, as the case may be, at its usual business address; or

(*b*) Where the notice is served on a person making an appeal, by mailing the notice to the address shown in his notice of appeal.

(13) After the council or an agency has decided an appeal under this section, the council or agency may reopen the hearing on its own motion and make a new decision, and the procedure for an appeal under this section applies to the rehearing."

and by renumbering subsequent clauses accordingly.

It is the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

[Mr. Speaker.]

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Speaker: I declare the motion lost on division.

Motion No. 28 (Mr. McKinley) negatived.

Mr. Speaker: Mr. Rose moves motion No. 29 as follows:

—That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding thereto immediately after line 34, page 23, the following:

"38. (1) Where any person, with the agreement of any five other persons, deems himself aggrieved by an order, direction, or decision of an agency, he may appeal to the agency by serving notice to the agency a written notice of appeal.

(2) Where any persons deem themselves, aggrieved by,

(*a*) any decision of an agency on an appeal under subsection (1); or

(*b*) any order, direction or decision made by the council, they may appeal to the council by serving upon the council written notice of the appeal.

(3) Every notice under subsection (1) or (2) shall contain a statement of the matter being appealed and the names and addresses of the persons making the appeal.

(4) Upon receipt of a notice under paragraph (*a*) of subsection (2), the council shall forthwith notify the agency and the agency shall forthwith provide the council all the relevant documents and other material, of any kind whatsoever, in its possession.

(5) In any appeal under subsection (1) or (2), the council or the agency, as the case may be, shall within seven days after the notice referred to in subsection (1) or (2) is received, serve notice upon the persons making the appeal of the date, time and place at which the appeal will be heard.

(6) The council or the agency, as the case may be, shall hear any appeal under subsection (1) or (2), within thirty days after the notice of appeal is received but the council or agency may adjourn a hearing from time to time for such reasonable period or periods of time as the council or agency deems just.

(7) At any hearing under this section the persons making the appeal have the right to attend and make representations and to adduce evidence respecting the appeal either by himself or through counsel.

(8) At any hearing of an appeal under paragraph (*a*) of subsection (2), the agency has the right to attend and make representations and to adduce evidence respecting the appeal either by its officers or members or any of them or through counsel.

(9) Upon an appeal to the council under paragraph (*a*) of subsection (2), the council may, by order, direct the agency to take such action as the agency is authorized to take under this act and as the council deems proper, and for this purpose the council may substitute its opinion for that of the agency.

(10) The council or the agency, as the case may be, shall within ten days after the hearing is completed, serve notice upon the persons making the appeal of its decision.

(11) A proceeding that is in substantial compliance with this section, is not open to objection on the ground that it is not in strict compliance therewith.

(12) Where a notice is served under this section it may be served personally or,

(*a*) where the notice is served on the council or an agency, by mailing the notice to the address of the council or agency, as the case may be, at its usual usual business address; or

(*b*) where the notice is served on the person making an appeal, by mailing the notice to the addresses shown in the notice of appeal.

(13) After the council or an agency has decided an appeal under this section, the council or agency may reopen the hearing on its own motion and make a new decision, and the procedure for an appeal under this section applies to the rehearing."

and by renumbering subsequent clauses accordingly.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: The division will be deferred. The question is now on motion No. 30. I might mention that there is some doubt as to the procedural acceptability of this motion. I do not think we should at this point embark upon a procedural discussion as to whether the motion should or should not be put. I am sure hon. members want me to put the question.

Mr. Downey moves motion No. 30 as follows:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following immediately after clause 38 at line 43, page 23:

"Consequential amendment

39. Section 5 of the *Export and Import Permits Act* is amended by adding the following subsection:

'(2) Where at any time it appears to the satisfaction of the Governor in Council on a report of the Minister of Agriculture made pursuant to an inquiry by the National Farm Products Marketing Council in the fulfilment of its duties that a natural product of agriculture of any kind is being imported or is likely to be imported into Canada at such price, in such quantity and under such conditions as to cause or threaten serious injury to Canadian producers of a like or directly competitive regulated product within the meaning of the *Farm Products Marketing Agencies Act*, any product of the same kind may, by order of the Governor in Council, be included on the Import Control List in order to limit the importation of such product to the extent and for the period that, in the opinion of the Governor in Council, is necessary to prevent or remedy the injury.'"

and by renumbering subsequent clauses accordingly.

Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I declare the motion lost on division.

Motion No. 30 (Mr. Downey) negatived.

• (10:20 p.m.)

Mr. Speaker: Order, please. The first question is on motion No. 1. Motion No. 1, moved by the hon. member for Crowfoot (Mr. Horner), reads as follows:

Division

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from subclause (c) of clause 2 all the words after the word 'agriculture' at line 14, page 1.

The President of the Privy Council (Mr. MacEachen) moved an amendment to motion No. 1 as follows:

That Motion No. 1 of Mr. Horner, seconded by Mr. McIntosh, be amended by striking therefrom all the words following the word "deleting" and substituting therefor the following:

"subclause (*c*) of clause 2 and substituting therefor the following:

"(*c*) "farm product" for the purpose of Part I, means any natural product of agriculture and any part of any such product and, for the purpose of the other provisions of this act, means

(i) eggs, and poultry, and any part of any such product, and

(ii) any other natural product of agriculture and any part of any such product in respect of which the Governor in Council is satisfied, as a result of declarations by provincial governments following plebiscites, or otherwise, that the majority of the producers thereof in Canada is in favour of the establishment of an agency under section 17 with powers relating to that product;

The hon. member for Swift Current-Maple Creek (Mr. McIntosh), moved an amendment to the said proposed amendment as follows:

That the amendment be amended by adding thereto, immediately following the word 'product' at the end thereof, the words 'but, for the purpose of any of the provisions of this act, shall not include cattle or calves;'

The question is on the subamendment.

The House divided on the amendment to the amendment (Mr. McIntosh) which was negatived on the following division.

YEAS

Messrs:

Alexander	MacDonald (Egmont)
Alkenbrack	MacKay
Baldwin	MacLean
Beaudoin	McCutcheon
Bell	McGrath
Bigg	McIntosh
Cadieu	McKinley
Carter	Marshall
Code	Mazankowski
Crouse	Moore
Danforth	Murta
Downey	Nowlan
Forrestall	Paproski
Godin	Rondeau
Grills	Ryan
Hees	Rynard
Horner	Schumacher
Korchinski	Scott
Lambert (Edmonton West)	Southam
Lundrigan	Stewart (Marquette)
	Tétrault—41.

NAYS

Messrs:

Allmand	Basford
Anderson	Béchard
Andras	Beer
Badanai	Benson
Barnett	Blackburn
Barrett	Blair

Division

Messrs:

Blouin
Borrie
Boulanger
Brewin
Broadbent
Buchanan
Burton
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Hogarth
Hopkins
Howard (Okanagan Boundary)
Howard (Skeena)
Jamieson
Kaplan
Knight
Knowles (Winnipeg North Centre)
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lambert (Bellechasse)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Matte
Murphy
Nystrom
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Peters
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Rodrigue
Rose
Rowland
Roy (Laval)
Saltsman
Sharp
Skoberg
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—132.

• (10:30 p.m.)

Mr. Speaker: I declare the subamendment lost.

[Mr. Speaker.]

The House divided on the amendment (Mr. MacEachen) which was agreed to on the following division:

YEAS

Messrs:

Alexander
Alkenbrack
Allmand
Anderson
Andras
Badanai
Baldwin
Barnett
Barrett
Basford
Béchard
Beer
Bell
Benson
Bigg
Blackburn
Blair
Blouin
Borrie
Boulanger
Brewin
Broadbent
Buchanan
Burton
Caccia
Cadieu
Cafik
Carter
Clermont
Cobbe
Code
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Crouse
Cullen
Danforth
Danson
Deachman
Deakon
De Bané
Downey
Dupras
Duquet
Faulkner
Forest
Forget
Forrestall
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Grills
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Harding
Hees
Hogarth
Hopkins
Horner
Howard (Okanagan Boundary)
Howard (Skeena)
Jamieson
Kaplan
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Lambert (Bellechase)
Lambert (Edmonton West)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
Lundrigan
MacDonald (Egmont)
MacEachen
MacGuigan
Mackasey
MacKay
MacLean
McBride
McCutcheon
McGrath
McIlraith
McIntosh
McKinley
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Matte
Mazankowski
Moore
Murphy
Murta
Nowlan
Nystrom
O'Connell
Olson
Orange
Otto
Ouellet
Paproski
Pelletier
Penner
Perrault
Peters
Portelance

Messrs:

Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Rodrigue
Rose
Rowland
Roy (Laval)
Ryan
Rynard
Saltsman
Schumacher
Scott
Sharp
Skoberg
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Marquette)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—170.

NAYS

Messrs:

Nil.

• (10:40 p.m.)

Mr. Speaker: I declare the amendment carried. The question is now on the main motion, as amended. Is it the pleasure of the House to adopt the said motion? All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay. I declare the said motion, as amended, carried.

Motion No. 1 (Mr. Horner), as amended, agreed to.

Mr. Speaker: The question is now on motion No. 7. Moved by the hon. member for Crowfoot (Mr. Horner):

That Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from subclause (1) of clause 3 the word "pleasure" at line 8, page 4 and substituting the following:

"good behaviour for a term not exceeding 7 years but may be removed for cause by the Governor in Council at any time."

The House divided on motion No. 7 (Mr. Horner), which was negatived on the following division:

YEAS

Messrs:

Alexander
Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse
Danforth
Downey
Forrestall
Godin
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechase)
Lambert (Edmonton West)
La Salle
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon

Division

Messrs:

McGrath
McIntosh
McKinley
Marshall
Matte
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—60.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance

Division

Messrs:

Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting——115.

Mr. Speaker: I declare the motion lost.

The House will now proceed to the consideration of motion No. 9. The hon. member for Mackenzie (Mr. Korchinski) moved:

That Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (1) of clause 6 immediately after line 17, page 5

(a) to submit to the minister, at the commencement of each production year, a list of prices which shall be paid for a regulated product for that year, such prices to be compensatory for the cost of production of such product;"

and by relettering subsequent paragraphs accordingly.

The House divided on motion No. 9 (Mr. Korchinski) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse
Danforth
Downey
Forrestall
Godin
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Matte
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Saltsman
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—59.

[Mr. Speaker.]

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—115.

• (10:50 p.m.)

Mr. Speaker: I declare the motion lost. The next question is on motion No. 10. Moved by Mr. Horner:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from paragraph (*a*) of subclause (1) of clause 6 the words "efficient and competitive" at line 22, page 5 and substituting the word "viable" therefor.

The House divided on motion No. 10 (Mr. Horner) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse
Danforth
Downey
Forrestall
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechase)
Lambert (Edmonton West)
La Salle
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Matte
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Saltsman
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—58.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—115.

Division

Mr. Speaker: I declare the motion lost. The next question is on motion No. 11, standing in the name of hon. member for Vegreville (Mr. Mazankowski):

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to paragraph (a) of subclause (1) of clause 6, immediately after the word "industry" at line 23, page 5:

"to the end that the economic and social viability of farm communities in Canada shall be enhanced and improved".

The House divided on motion No. 11 (Mr. Mazankowski) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse

Division

Messrs:

Danforth
Downey
Forrestall
Godin
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Matte
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—59.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—114.

[Mr. Speaker.]

• (11:00 p.m.)

Mr. Speaker: I declare the motion lost. Hon. members will be heartened to know that we have now completed half of the deferred divisions.

Some hon. Members: Hear, hear!

Mr. Speaker: The House will now proceed to motion No. 14. Mr. Horner moved:

—That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (1) of clause 7 immediately after line 34 at page 7:

"(*h*) shall study the effects of imports on the price quantity of products grown in Canada and make recommendations to the minister;"

and by relettering subsequent paragraphs accordingly.

The House divided on motion No. 14 (Mr. Horner) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse
Danforth
Downey
Forrestall
Godin
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters

Messrs:

Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—57.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Caribou)
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London-East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—115.

Division

Mr. Speaker: I declare the motion lost. The House will now proceed to motion No. 21. Mr. Horner moved:

• (11:10 p.m.)

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by deleting from subclause 2 of clause 17 the word "may" at line 29, page 11 and substituting the word "shall" therefor.

The House divided on motion No. 21 (Mr. Horner) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse
Danforth
Downey
Forrestall
Godin
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Skoberg
Southam
Tétrault—56.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie

Division

Messrs:

Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard
(Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing
(Vancouver South)
Lajoie
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard
(Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith
(Northumberland-
Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart
(Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas
(Maisonneuve-
Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—116.

Mr. Speaker: I declare the motion lost. The House will now proceed to motion No. 25. Mr. Horner moved:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to subclause (1) of clause 23 immediately after line 38, page 17:

"(n) not broaden its authority unless granted in the terms set out in the original proclamation for an agency which the majority of producers supported;" and by relettering the following paragraph accordingly.

The House divided on motion No. 25 (Mr. Horner) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse
Danforth
Downey
Forrestall
Godin
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg
North Centre)
Korchinski
Lambert
(Bellechasse)
Lambert
(Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—57.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard
(Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing
(Vancouver South)
Lajoie
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard
(Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand
(Langelier)
Marchand
(Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier

Messrs:

Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—116.

Mr. Speaker: I declare the motion lost. The House will now proceed to motion No. 26. Mr. Peters moved:

• (11:20 p.m.)

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding the following to clause 23 immediately after line 17, page 18:

"(4) An agency shall negotiate with those farm organizations representing a majority of the producers of any commodity regulated by that agency in order to establish the forward maximum and minimum prices which the agency shall be allowed to accept for the product marketed in domestic and export trade.".

The House divided on motion No. 26 (Mr. Peters) which was negatived on the following division:

Division

YEAS

Messrs:

Baldwin
Barnett
Beaudoin
Bell
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse
Danforth
Downey
Forrestall
Godin
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—56.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—115.

Mr. Speaker: I declare the motion lost. The House will now proceed to motion No. 29. Mr. Rose moved:

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be amended by adding thereto immediately after line 34, page 23, the following:

"38. (1) Where any person, with the agreement of any five other persons, deems himself aggrieved by an order, direction, or decision of an agency, he may appeal to the agency by serving notice to the agency a written notice of appeal.

(2) Where any persons deem themselves, aggrieved by,

(*a*) any decision of an agency on an appeal under subsection (1); or

(*b*) any order, direction or decision made by the council, they may appeal to the council by serving upon the council written notice of the appeal.

(3) Every notice under subsection (1) or (2) shall contain a statement of the matter being appealed and the names and addresses of the persons making the appeal.

(4) Upon receipt of a notice under paragraph (*a*) of subsection (2), the council shall forthwith notify the agency and the agency shall forthwith provide the Council all the relevant documents and other material, of any kind whatsoever, in its possession.

(5) In any appeal under subsection (1) or (2), the council or the agency, as the case may be, shall within seven days after the notice referred to in subsection (1) or (2) is received, serve notice upon the persons making the appeal of the date, time and place at which the appeal will be heard.

(6) The council or the agency, as the case may be, shall hear any appeal under subsection (1) or (2), within thirty days after the notice of appeal is received but the council or agency may adjourn a hearing from time to time for such reasonable period or periods of time as the council or agency deems just.

(7) At any hearing under this section the persons making the appeal have the right to attend and make representations and to adduce evidence respecting the appeal either by himself or through counsel.

(8) At any hearing of an appeal under paragraph (*a*) of subsection (2), the agency has the right to attend and make representations and to adduce evidence respecting the appeal either by its officers or members or any of them or through counsel.

(9) Upon an appeal to the council under paragraph (*a*) of subsection (2), the council may, by order, direct the agency to take such action as the agency is authorized to take under this act and as the council deems proper, and for this purpose the council may substitute its opinion for that of the agency.

(10) The council or the agency, as the case may be, shall within ten days after the hearing is completed, serve notice upon the persons making the appeal of its decision.

(11) A proceeding that is in substantial compliance with this section, is not open to objection on the ground that it is not in strict compliance therewith.

(12) Where a notice is served under this section it may be served personally or,

(*a*) where the notice is served on the council or an agency, by mailing the notice to the address of the council or agency, as the case may be, at its usual business address; or

(*b*) where the notice is served on the person making an appeal, by mailing the notice to the addresses shown in the notice of appeal.

(13) After the council or an agency has decided an appeal under this section, the council or agency may reopen the hearing on its own motion and make a new decision, and the procedure for an appeal under this section applies to the rehearing."

and by renumbering subsequent clauses accordingly.

The House divided on motion No. 29 (Mr. Rose) which was negatived on the following division:

[Mr. Speaker.]

YEAS

Messrs:

Alkenbrack
Baldwin
Barnett
Beaudoin
Bell
Bigg
Blackburn
Brewin
Broadbent
Burton
Cadieu
Carter
Code
Crouse
Danforth
Downey
Forrestall
Godin
Grills
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McKinley
Marshall
Mazankowski
Moore
Murta
Nowlan
Nystrom
Paproski
Peters
Rodrigue
Rondeau
Rose
Rowland
Ryan
Rynard
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—56.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forest
Forget
Francis
Gendron
Gillespie
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lajoie
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty

Messrs:

Mahoney
Major
Marchand (Langelier)
Marchand (Kamloop-Cariboo)
Murphy
O'Connell
Olson
Orange
Otto
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Laval)
Sharp
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (London East)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—115.

• (11:30 p.m.)

Mr. Speaker: I declare the motion lost.

Mr. Gibson: On a question of privilege, Mr. Speaker, I did not vote because I was paired with the Leader of the Opposition (Mr. Stanfield) who is vacationing in Guadeloupe.

Some hon. Members: Oh, oh!

Mr. McGrath: That was cheap. You are without honour.

Some hon. Members: Oh, oh!

Mr. Baldwin: Mr. Speaker, I rise on the same question of privilege. We do not know whether the hon. member is here or not. We do not miss him.

Mr. Benson: What! You do not miss your own leader?

Hon. H. A. Olson (Minister of Agriculture) moved that Bill C-176, to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, as reported (with amendments) from the Standing Committee on Agriculture, be concurred in.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time? Now, by leave?

An hon. Member: By leave, now.

Mr. Olson moved that the bill be read the third time and do pass.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, is the minister about to speak? I take it that he is not. Considerable effort has been made on all sides of the House to pass this bill—

Mr. Speaker: May we have order, please. The hon. member for Kent-Essex (Mr. Danforth) has the floor. If hon. members want to conduct conversations or conferences, perhaps they might do so behind the curtains.

Mr. Danforth: Thank you, Mr. Speaker. We have almost passed a bill which will be of major importance to the entire agricultural community of Canada. I sincerely believe that members on all sides of the House have made an honest effort to provide as good a bill as possible to meet the interests of agriculture. Unfortunately, I am not convinced that it will bring about the results for which all hon. members of the House sincerely hope.

We have been considering this bill for two years and in our positions on it we have travelled almost full circle. When the government first introduced the bill they were prepared to accept it as it was and pass it. Because the opposition dared to criticize some aspects of the bill, we were charged, after some ten hours of debate, with filibustering.

An hon. Member: Nonsense.

Mr. Danforth: We were charged with obstructing a measure that would help the agricultural community of this nation immeasurably. Mr. Speaker, the minister assured us when he brought in this bill that he had the full co-operation of all farm leaders for this type of measure. He suggested that he enjoyed the blessing and full co-operation of all ministers of agriculture across this country.

Mr. Faulkner: Where do you stand?

Mr. Danforth: He suggested that there was unanimous agreement and support for this type of legislation. Yet, after we dared to criticize some aspect of this measure and it was proposed that the bill should go to committee, the government began to lose credibility. We discovered that there was not unanimous agreement and support for the provisions of the original bill. Farm organization after farm organization and commodity group after commodity group came before the committee and said, "No, we cannot accept the bill in its present form. There must be amendments."

Some hon. Members: Hear, hear!

Mr. Danforth: That happened after we had been assured that the bill was entirely acceptable and that the farming community unanimously supported this type of legislation. And what happened? When the committee travelled across this country we found that the ministers of agriculture of the provinces were not in full accord; they did not all support the bill. After receiving assurances in this House that the ministers favoured the bill, we found that it just was not so.

An hon. Member: Are you supporting it or not?

Mr. Danforth: You are going to find out. I am not going to support this bill. I cannot support it because it will not help the farming community, and I will explain why.

Some hon. Members: Hear, hear!

Mr. Danforth: We were assured that all commodity groups had been canvassed and that they supported this measure.

Mr. Faulkner: What are you against now, Harold?

Mr. Danforth: When the cattlemen of this country voiced their objections, the Minister of Agriculture (Mr. Olson) assured them that if they did not like the measure they would not be included within it. Only a few weeks later, when the committee was conducting its examination, it turned out that the government was not prepared to stand behind its own assurances. That is when we began to lose faith in the assurances of the government and that is when the government lost even more credibility.

The government brought this bill in two years ago. In one of the opening speeches we in the opposition said that this bill was not what it ought to be because there was no provision for producer representation on the agencies. The opposition proposed amendments and now there is producer representation on the agencies.

An hon. Member: Then vote for the bill.

Mr. Danforth: We did not like the supply management aspects of the bill, and you will find that those supply management aspects have been removed from it. In the original bill there was no provision for appeal procedures; appeals were to be diverted to the minister. Now that position has been amended and appeal procedures are available.

Mr. Faulkner: But you still oppose the bill, do you not?

Mr. Danforth: Even more so.

Some hon. Members: Oh, oh!

Mr. Roberts: You want nothing, Harold.

Mr. Faulkner: You are making it worse and worse.

An hon. Member: The Tory party favours the big farmers.

Mr. Danforth: Mr. Speaker—

Mr. Deputy Speaker: Order, please. The Chair finds it difficult to hear the hon. member.

Mr. Danforth: I do not mind the interjections of hon. members opposite. Throughout the history of farming it has been the man without knowledge of agriculture who has tried to tell the producer what to do.

Some hon. Members: Hear, hear!

Mr. Paproski: Men like the hon. member for Peterborough (Mr. Faulkner) and the hon. member for Lanark-Renfrew-Carleton (Mr. McBride).

• (11:40 p.m.)

Mr. Danforth: Every time there has been government intervention in the marketing field, chaos has resulted. The government intervened in the affairs of the sugar beet industry of Ontario with supply management, and we no longer have a sugar beet industry. The government held up the National Dairy Council as a model when it introduced this bill. It is the model they asked us to accept. What has happened? So many dairymen have been forced out of business by the operations of the Council that we have moved from a position of over-supply to a position of under-supply.

I cannot support this bill and hon. members opposite are no doubt curious to know why I cannot do so. It is because the entire principle upon which this bill is based is fundamentally wrong. The whole principle of this bill supposes supply management, which means that the government cannot sell the products of agriculture and therefore intends to control production through regulation. Not only that, but in every instance where those responsible for provincial marketing schemes have tried desperately to ensure strong markets the government has allowed products to come in indiscriminately from other countries to take advantage of markets developed by the boards.

Yesterday in the House my hon. friend from Lambton-Kent (Mr. McCutcheon) showed how some of these marketing schemes were not operating to the advantage of farmers generally. He spoke from experience, because here in Ontario we probably have more experience of marketing agencies and schemes than other provinces. We know that marketing control is not the answer to all agricultural problems and that it never will be.

I can understand why some hon. members opposite want this type of bill. I know the hon. member for Essex (Mr. Whelan) well and I respect him. I can understand why he would want it. Everything he produces comes under a marketing agency and a bill like this is perfect for a man in a comfortable pew, because any competition to his production will be stopped by government regulation.

Mr. Faulkner: That is not what Bill Stewart says.

Mr. Danforth: They say this bill will help the little man, but nothing could be further from the truth. In the actual operation of any type of supply management based on quotas the little man cannot survive economically on the quota allotted to him. In the second place, the only man who can buy that quota is a man who is already well established. So the man with the large quota gets greater production and the small man goes into oblivion. Hon. members opposite are building up monopolies by the very legislation they are asking us to pass tonight. It will not help, it will hinder.

An hon. Member: Nonsense.

Mr. Danforth: Those who say nonsense ought to have sat on marketing boards, as I have. They ought to have directed marketing agencies as I have.

No matter in what form Parliament passes this legislation, it will not and cannot work. It will be impossible to administer, and I will tell the House why. Though the government is asking us to pass legislation which is national in scope, it is not really national. It cannot force the provinces to give up their powers to the central government. Therefore any province can opt out with respect to any commodity, and when this happens that is the end of a national marketing agency.

The second reason the legislation will not work is that the government has not tied into this bill any means of controlling imports. It is all very well to say that imports

can be controlled by another department. But if the ten provinces are not tied into a marketing scheme, imports into a province taking part in the scheme cannot legally be controlled. If imports are allowed into any region, this marketing act will not and cannot work. Members of the government would not listen to the opposition when we put this proposition to them. They preferred to rush into the formulation of legislation which will not work.

Right from the outset we suggested a certain course of action to the government. The poultry producers were actually the designers of this principle the government has adopted. If hon. gentlemen opposite had set a scheme up for the poultry industry there would have been no opposition from this side of the House. If the people who produce the commodity want this, they should have it. If this had been done, if our advice had been taken, the legislation would have been passed. It is the government which must take the blame for the delinquency of this legislation, not the opposition. If the government had taken our advice and provided for supply management in the poultry industry, and if it had worked, if it had solved the problem, the other commodity groups would be beating at the doors of the Prime Minister (Mr. Trudeau) and of the Minister of Agriculture (Mr. Olson) asking them to bring in similar legislation. But they declined to do this. They wanted to bring in an all-encompassing bill. Mr. Speaker, there is no agronomist in this country who believes it is possible to make an all-encompassing bill work when there is such diversity in regions, jurisdictions and commodities as there is in Canada.

An hon. Member: You are being negative now. Try to be positive.

Mr. Danforth: You talk about my being negative. I am trying to suggest to hon. members opposite that this is not a red letter day for farmers: it is the beginning of the greatest disaster the farm economy of Canada has ever experienced. It is the beginning of the end for thousands and thousands of farmers. If this bill goes forward the small farmer, God help him, has not got a chance.

• (11:50 p.m.)

Mr. Paproski: That means you guys from Quebec. Remember that. You are going to get it in the ear.

Some hon. Members: Oh, oh!

The Acting Speaker (Mr. Laniel): Order, please. I invite hon. members to co-operate with the Chair and the House and let the hon. member for Kent-Essex (Mr. Danforth) complete his remarks.

Mr. Danforth: There is one other point hon. gentlemen of the government have completely missed. It is this. Whenever quotas are established by regulation, they immediately obtain a capital value. When these quotas obtain a capital value, the cost of production of every unit increases to the extent of that capital value. There are only two places this increase can come from, the profit margin of the farmer whom the government is trying to help, or the consumer of whom the government is the champion. An added tax will be placed on every unit of either one or both of these segments of society.

The government is not going to help either the agriculturist or the consumer. We can foretell what is going to happen. As soon as the government finds that the cost of an item of food is affecting the index, it will allow in imports to offset that increase. What will happen is the quota to the farmer will be reduced by the amount of the import. We will find that the agricultural economy in Canada will be travelling in an ever smaller and smaller circle until it is completely garrotted.

Mr. Faulkner: What about the industrial milk shippers?

Mr. Danforth: We know about them. The hon. member for Peterborough (Mr. Faulkner) asked about industrial milk shippers. I will tell him. Under this government, the industrial milk shippers in our area have been reduced from 440 to 72. That is what happened.

Some hon. Members: Hear, hear!

Mr. Danforth: The only ones left are those who had a nice comfortable quota to start with. This gave them the money to buy out the man who had a small quota, one who was trying to start. He just could not make it. That is what happened.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but according to the order accepted previously today his time has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Laniel): Some hon. members suggest that the hon. member for Kent-Essex be allowed to complete his remarks. That can only be done with the unanimous consent of the House. Is there unanimous consent that the hon. member complete his remarks?

Some hon. Members: Agreed.

Mr. Danforth: Mr. Speaker, I wish to express my thanks for the courtesy of all members of the House in allowing me to continue. I shall not transgress on Your Honour's patience. I conclude by saying that I do not impute motives to any member of this House. I am sure every member has tried to bring a bill out of this House which would help agriculture. This is a complicated measure and hon. members on the government side did not understand its implications. We in the opposition must show our displeasure, disfavour and feelings by voting against this bill which will spell doom to the agricultural industry.

Some hon. Members: Hear, hear!

Mr. H. E. Stafford (Elgin): Mr. Speaker, the hon. member for Kent-Essex (Mr. Danforth) started off by saying we have passed a bill which is of major importance to Canadian agriculture. Then he alleged provincial marketing boards were not the answer. We never said they were. He then contradicted himself by stating that the hon. member for Essex (Mr. Whelan) is sitting pretty; all his crops are protected by provincial marketing boards. The hon. member for Kent-Essex could enjoy the same protection. He knows full well they are voluntary. Years ago, the opposition used the same argument in opposing the Canadian Wheat Board. The hon. member for Kent-Essex is running in the same circles tonight; he stated we had the Wheat Board.

Bill C-176 will establish a national farm products marketing council, will authorize the establishment of national marketing agencies for farm products and will allow producers to participate in national farm marketing if they so desire. Farmers have been demanding this legislation for years.

I have never listened to a debate where the issues involved were so completely misunderstood by members opposite. They prefer to forget that a majority of the producers of a particular commodity have to agree to be placed under this marketing legislation. The Standing Committee on Agriculture held 83 hearings on this bill and its predecessor, heard 301 witnesses and sat for 211 hours. I well remember the long examinations carried out by the hon. member for Crowfoot (Mr. Horner) during the all-night session when he was unable to elicit any evidence which would support these amendments. I doubt if any hon. members opposite sent the transcript of that 11-hour committee meeting home to their constituents with an accompanying letter stating, "Look what I have done for agriculture".

The first speaker on Tuesday afternoon, the hon. member for Peace River (Mr. Baldwin) said that the bill—

—could have a divisive or detrimental effect by stopping, easing or preventing the free flow of goods and services and people from one part of this land to the other—

He also stated:

—that in the case of *Murphy v. Canadian Pacific Railway Company,* decided by the Supreme Court of Canada in 1958, it was suggested by the judges of the court that section 121 of the British North America Act applies not only to prevent provinces but also the federal government from dealing with the full flow of goods and property from one part of the country to another.

I suggest that the hon. member has misapprehended the rationale of the case. It is true that Mr. Justice Rand did say, at page 638, "this country is one economic unit", but he went on to say:

When the exaction is looked at in its true character, as an incident in the administration of a comprehensive extraprovincial marketing scheme, with its necessity of realizing its object in the returns to producers for all production except for local purposes, interference with the free current of trade across provincial lines disappears.

The hon. member for Athabasca (Mr. Yewchuk) also misread the case when he said that what is at stake in discussion of this bill is the question of free trade among the provinces. The Murphy case did not set out any such conclusion. It was an appeal by the appellant Murphy who bought grain in Manitoba for the purpose of shipping it to British Columbia in defiance of the Canadian Wheat Board Act, and he lost his appeal. This case is not an authority for the proposition enunciated by hon. members. I suggest that hon. members are criticizing the bill not for what it is but for what it is not.

• (midnight)

The hon. member for Lambton-Kent (Mr. McCutcheon) was very critical of marketing boards in the province of Ontario yesterday afternoon. He said in this House that:

—so far no concrete evidence has been put forward to show that marketing boards have in fact improved the situation for the farmer.

I differ with the hon. member and say that for many years facts show that there has been widespread support for marketing boards in the province of Ontario. Such statements lead me to the conclusion that the hon. member is unfamiliar with the history of marketing boards in the province of Ontario.

For example, when the Farm Products Marketing Act of Ontario was first passed in 1937, it had certain deficiencies. As the year passed it has been amended to become a useful piece of legislation. Bill C-176 may not be perfect, as is usually the case with any piece of legislation when it is first drafted. However, it is a good start. I believe commodity groups can proceed to establish national marketing boards under the act and as the years pass these will progressively change and develop as agriculture develops.

In Ontario there are now 19 boards formed under the Farm Products Marketing Act and the Milk Act. I suggest that the consensus would be that the lot of the farmer has improved as a result of the implementation of the provincial marketing boards. Whatever the imperfections of these boards may be, they represent the highest common measure of agreement in the farm community. The advantage of the boards is manifest. The only marketing board that has been abandoned is the Ontario onion producers marketing board, and obviously the Ontario sugar beet marketing board when the only sugar manufacturer in Ontario closed its factory.

Organized marketing in the province of Ontario is well established. The total output of agricultural products in Ontario this year is in excess of $1,300 million and it is most significant that approximately 60 per cent of this agricultural output went through marketing boards. Any time a new marketing plan comes into existence or a major change is made the farm products marketing board of Ontario conducts an expression of opinion among the producers whereby a majority of two-thirds of those voting must be in favour.

We are told by hon. members opposite that farmers are opposed to regulation. If that is so how is it that the farmers have not taken opposition to the 19 farm marketing boards which are in operation at the present time in the province of Ontario? I suppose there is nobody in this House who would be bold enough to go to the farmers and advocate the abolition of these marketing boards. Take, for instance, the Ontario milk marketing board. It buys all the milk in Ontario from the farmers and resells it to the processors. It fixes quotas and prices. It is a full marketing agency. It has complete control of the milk from the time it is picked up by the milk transporters until it is delivered to the dairies

The Board has rationalized transport and has substantially increased the price to producers from what it was before the board came into operation. The Ontario broiler chicken producers marketing board allots marketing quotas to producers and sets the live price of broiler chickens each week. The Ontario turkey marketing board allots marketing quotas. The Ontario pork producers marketing board, formerly the Ontario hog producers marketing board, has authority to set the price of pork but actually uses a very sophisticated teletype auction system which ensures that the small producer with 20 hogs to sell has the same chance on the market as the large producer. The hon. member for Lambton-Kent suggested that it was an indictment against the hog producers

marketing board that the price of pork rose little in the years he chose in relation to the rise in the price of cattle. The hon. member failed to explain that the real reason for today's pork prices is a supply one resulting from surplus grain, and that the same situation exists in the United States where there is no pork producers marketing board.

Perhaps the best illustration is the Ontario flue-cured tobacco growers marketing board which originated in 1957. The board acts on behalf of all flue-cured tobacco growers in Ontario to market and control supply. It sets production quotas each year which is a type of supply management. The board sits down with the trade and establishes how much product is needed and allocates the acreage required to produce that amount of product. On the whole, the system has worked well, has protected the small farmer and ensured his survival. Without such controlled marketing, the small tobacco farmer would have been swallowed up and would have disappeared.

The hon. member for Timiskaming (Mr. Peters) should have examined the record of this board before making such bold assertions in this House on Tuesday as "goodbye to the family farm" and also that "we are not interested in eliminating the family farms in Canada". So too might the hon. member for Vegreville (Mr. Mazankowski) have re-examined the statements he made such as the following:

—this bill will strangle the opportunity of young people and old who wish to engage in the business of agricultural production—

—the government's answer to this is simply to help the big operators get bigger and to heck with the small fellow.

The Ontario flue-cured tobacco grower's marketing board is effective because all Ontario flue-cured tobacco is controlled and marketed by the board. It has been extremely successful when compared to commodities which are not regulated by marketing boards. The board is even more effective because 95 per cent of Canada's tobacco is grown in Ontario. If this were not so, a national marketing scheme with supply management to stabilize prices paid to the producers would be necessary.

This is well illustrated by the recent situation with broiler chickens. When the total Canadian market was oversupplied prices fell to loss levels. As a result of this experience broiler producers across Canada are now negotiating to establish market sharing agreements among the provinces. Not all commodities are as fortunate as tobacco in having almost all its product concentrated in one area. In the case of tobacco the provincial marketing board is sufficient to do the job. In other cases, with crops grown throughout the nation, national marketing legislation is necessary because the authority of a provincial board extends only within the province.

Since the Ontario flue-cured tobacco growers marketing board was established there have been great advances in the technology of growing tobacco. Yields per acre have more than doubled, from 1,100 pounds per acre to 2,400 pounds per acre, and the necessity to run a two-year crop rotation has disappeared. It is now possible to grow tobacco continuously on the same land. It was inevitable, therefore, in this situation, with a fairly constant market demand, that acreage allotment would have to be reduced. The important point, however, is not the acreage allotment, but the total amount of tobacco sold off each farm and the price received for this tobacco, for this determines the farmer's income. The premise of the hon. member for Lambton-Kent that a cut in acreage somehow establishes the failure of the board is incorrect and his conclusion does not apply.

I cannot agree that Bill C-176 should be amended so that a group wishing to come under national marketing legislation would have to wait until a bill is passed in this House. With all due respect to this House, our parliamentary procedure is such that a group might have to wait a very long time for such legislation to be passed, particularly if this bill is any example. I do not want the producers of this country to go through a procedure like this every time they want to become part of a national marketing program. If the commodities are set out in the bill, Parliament cannot be blamed for holding up the farmers' demands.

As I have already pointed out, marketing plans in Ontario have been very effective in regulating the marketing of farm products within Ontario. A national marketing act is essential to enable a similar system of farm marketing to operate successfully in interprovincial trade. It is plain that today there is less chance for the survival of the rugged individual. The purpose of this bill is to provide the machinery for the farmer to regulate his own industry through the medium of national marketing if he so desires. Bill C-176 will not obstruct the free flow of goods across this country: it will give every farmer an equal opportunity to get the price that the market can supply, and a better chance to sell his product at a price which will bring him a reasonable return.

• (12:10 a.m.)

Mr. Arnold Peters (Timiskaming): It is often the case in Parliament, not only with regard to agriculture but in many other fields, that there is considerable delay between the time when something is necessary, desirable and useful to a segment of the population and the time when legislation is brought forward. This delay often creates a considerable dilemma for those who are committed to a particular philosophy.

Those of us who were in the CCF and are now in the NDP have been always committed to the idea of national marketing legislation. We have also been committed to two or three other fairly basic philosophies, one of which is that the central government should be as strong as possible and that if necessary we should push the provincial authorities in all fields. In fact, a socialist government means a fairly high degree of centralization. Most of the members of the CCF who came from a rural background in the early days were committed to what they considered to be the family farm unit and the free enterprise system which existed within that unit.

Most of the complaints that have been made about this legislation are all true. It is too broad, it is not specific enough, and it allows intervention by the provinces, government agencies and all kinds of civil service bodies before it reaches down to the producers. If we had had this bill 20 years ago we would be talking in my area about something like 2,000 farmers. It is true that it is not a large area, but there were 2,000 farmers who were able to make a living off the land and live in that rural economy.

Today, the small farmers who could have participated in the marketing legislation and who would have been able to avail themselves of this legislation, as they did of the co-op movement, are greatly reduced in number. Only one-fifth of that number is left. There are only some 400 farmers in the area and some of them are as wealthy and productive as farmers in any part of the province of Ontario. We have a viable dairy industry. This has been brought about to some extent by the advent of the milk marketing legislation in the province with which my family has been connected for many years.

Twenty years ago when there was no marketing legislation the farmers got together and decided that this is what they would like, that this is what they expected to get out of it. But what is happening today? We have a piece of legislation which most members do not understand and which I do not understand. We have supply management in this bill, and we are making an exception for eggs by saying that the proclamation will take place when the bill is given royal assent. When the small farmers in my area or any other area of Canada—this is particularly true of the province of Quebec, and I am surprised that the Quebec members do not realize it—first became aware of the need for this legislation they discussed what they could get out of it, what they had to put into it, what the market in the area was and what transportation could be provided. They could then make a decision which would be best for all of them.

That is not the way it is done today. I am sure that in the province of Quebec there are thousands of hog producers. We went to see one hog producer who has 5,000 sows. They produce six or eight litters of pigs every day, but that farmer does not raise the pigs. Under any type of marketing legislation which we might have under a provincial or national plan we will find that the votes will depend entirely on the size of the operation. The little farmer who used to sit around the box-stove in a rural store and make decisions as to how he and other farmers should co-operate does not exist any longer. The fellow who has 5,000 sows farrowing every six months is the one who makes the decisions, not the farmer who has two or three sows.

The party to which I have the honour of belonging has been in a real dilemma since we started discussing this legislation. We firmly believe that there should be a federal marketing legislation. This legislation can be directed at industry rather than agribusiness. It should be possible, if there is a motive to do so, to draft marketing legislation which can work for the individual farmers. But I suggest that in many areas we are 20 years too late and that this legislation will do nothing in most commodity areas but eliminate all the small farmers and small farm organizations.

There is a member here who has been doing a lot of talking from his seat in the last few days. I have made inquiries about what kind of farmers he has in his constituency and I found that his farmers work in a factory. They live on the farm but they drive 30 or 40 miles to the industries surrounding their communities. That is the kind of farmer he has been talking about. He does not need marketing legislation to put them off the farms; they have done this already by themselves.

I am sure that there will be people interested in operating this legislation. I am sure Mr. Stewart will be very happy tonight. This, of course, amuses me because it appears that the Conservatives are not in tune with Mr. Stewart, and Liberals on the other side, particularly the hon. member for Elgin (Mr. Stafford), and others, seem to have the ear of the minister of agriculture of the province of Ontario. He has problems with these boards. He even has problems in the dairy industry where we have a national marketing agency. He has difficulties because a board is already set up, as it is in Quebec and other provinces. Neither Ontario nor Quebec want to lose the board because they have people running it, but they are almost at the stage at which they could pool their operations with the Canadian Dairy Commission. This would save a lot of money and eventually some of it would trickle down to the producers. However, there will be fewer and fewer small producers. There will be fewer opportunities for farmers in the Canadian agricultural industry.

• (12:20 a.m.)

We look at this legislation from a nostalgic point of view. For years we have been committed to the idea of marketing legislation, but we have also been committed to the retention of the rural agricultural economy, of a way of life, of social conditions that have existed in a large portion of this country. And we have been unhappy to see the displacement that has taken place through normal attrition. Many of us are of the opinion that this attrition will now take place at a faster rate.

In other countries, farmers themselves—not the cows, not the hens and not the pigs—have done the initial negotiating for the commodities in which they are interested. They have been able to establish a bargaining position ir countries that have a central government. But I believe our federal government has the necessary power as a result of the Manitoba court case and other cases. We do have the power to establish central marketing in Canada. We must allow farmers to have a voice in the decision of agencies, not on the basis of the units those farmers represent or of the shares they hold but on the basis that they are members of a rural economy engaged in a particular industry. For that reason, Mr. Speaker, I move, seconded by the hon. member for Skeena (Mr. Howard):

That Bill C-176 be not now read a third time, but that it be referred back to the Standing Committee on Agriculture for the purpose of reconsidering clause 23 thereof.

Mr. Perrault: You are a bunch of reactionaries.

Mr. Peters: An hon. gentleman over there says we are a bunch of revolutionaries.

An hon. Member: "Reactionaries."

Mr. Peters: Oh, reactionaries. The difference is only one of degree. In his area, where there are a lot of working-class people, he does not object to them organizing on the basis of one man, one vote. But I presume when the vote is taken on this amendment he will support the idea that chickens should vote and that, for example, the man in Ontario who owns 500,000 hens will be able to have 500,-000 votes against the guy across the road who has only

10,000 hens. I am sure he will vote that way, because he is a Liberal.

I suggest that the idea of allowing the farmer to negotiate a forward price is a revolutionary step. However, this whole bill is out of date by many, many years and I see no safeguards being provided on behalf of farmers just because they are farmers. I hope hon. members will agree that this clause should be returned to the committee so that consideration can be given to the principle of allowing a farmer to seek the establishment of a forward price which will take into consideration his needs, his costs of production and his ability in conjunction with his neighbours and friends to negotiate the price of the commodity on which their very existence depends.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, in the calm of night, I should like to make a few brief comments on Bill C-176 to make my colleagues up and at the same time to analyze the bill very seriously and to ask the government, and particularly the hon. Minister of Agriculture (Mr. Olson) to consider certain weaknesses in the bill.

In my opinion, these weaknesses will bring about economic divisions which will require court decisions for the National Marketing Council will not have enough authority to decide on contentious issues that will inevitably arise between the marketing agencies in the various provinces.

The first objective of this bill should be to enable Canadian producers to get better organized in order to market their production in an orderly way in Canada, so as to ensure an equitable income for themselves, without removing from the consumer the privilege of choosing the product that suits him best.

Mr. Speaker, the problem is always the same in agriculture. I wonder if a solution will ever be found to do justice to farmers but, in any event, I should like to quote an excerpt from the report of the 18th Conference of IFAP held in Paris in 1971. The analysis of this report will reveal that what goes on here also happens elsewhere because it is still called "agriculture" elsewhere. Everything remains to be done. From time to time, some would like to alter the situation, improve it, so that those who live off agriculture might have some security. Now, here is what we find in that report:

> The key problems agriculture now faces are the following: ensuring better income and a higher standard of living for farmers; achieving more balance between supply and demand; improving the methods of distributing food products; adapting agrarian structures; and achieving a positive and more rational use of the resources.

This is a worthwhile aim indeed. Most of the organizations which represent the farmers of the world must stress the seriousness of the financial crisis now facing the farmers.

I go on with the quotation:

> Since the Tokyo Conference, the gap between the incomes of farmers and of other professionals has tended generally to widen, in spite of the efforts made in certain countries to adjust supply to demand and in spite of an improved market balance of the main basic products.

• (12:30 a.m.)

In my opinion, it means that the countries which have attempted to adjust production to demand regardless of the consequences for the producers concerned, have met with failure.

I continue to quote:

> For 2 years, the cost of essential commodities for farmers has often been increasing much more quickly than at the end of the sixties. The higher prices were not enough to offset increased costs. In some countries, the problems facing many groups of producers are not as much due to inflation as to other factors—for example, an inadequate access to markets. At all events, the absolute value of farming incomes has either decreased or has not increased enough to offset the general trend of currency depreciation. It follows that, in real terms, the farmers have not succeeded in securing an appreciable share of the benefits due to their increased productivity.

Which means that, while production has increased, we have not succeeded in doing justice to this category of workers, even when trying to impose systems which, at first glance, seemed promising. The same applies to our country. I continue to quote:

> That is surely the basic reason why, in many countries, the farm community, usually the sector having the most respect for the law and the most stable—

And I believe that it will be recognized that the rural population has an innate respect for the law. These very stable people endeavour to maintain freedom and order in our society. So, these rural communities have, and I continue to quote:

> resorted to certain forms of protest in order to make themselves heard. One cannot but regret the need for such forms of action, but often enough they have represented the only way of fighting the people's—and even the government's—indifference and apathy.

Then, Mr. Speaker, the same thing is happening in Canada. A few days ago, a demonstration was held here by a large delegation of producers from Quebec who came here to meet the Minister of Agriculture Mr. Olson), who is the minister responsible for the Wheat Board, and to make representations for equality of opportunity in the food industry in order to be able to produce at a cost comparable to that prevailing in other Canadian regions. And these people who came here to give their sincere support to their members left without getting much satisfaction. They wanted to use that sort of pressure in order to have their rights acknowledged and to try and obtain justice.

To be really fair towards all areas of Canada, the government will have to assure the eastern producers that they will be able to get their grain supplies at the same price as western producers, so that their production costs will not be higher, thus allowing them to make about as much profit as is made in other parts of the country.

I consider this as a necessary first step if we really want Bill C-176 finally to bring favourable results. But we shall have to make a good start by providing all Canadian producers with equal opportunities.

In my opinion, the marketing of grain at uniform prices throughout Canada would be instrumental in achieving better conditions for the establishment and operation of marketing agencies, failing which conflicts of interest would arise between economic areas. This point has been raised many times during the debate by hon. members representing various regions of Canada who did so, I believe, quite sincerely in order to press the government to bring forward likely to promote better understanding

and achieving equal economic opportunities throughout the land.

If such action is not taken, marketing conflicts will continue to emerge even after Bill C-176 has been passed. There will still be pilgrimages of Eastern farmers to Ottawa to make representations to the government, seeking to obtain fair treatment, even though such representations, according to the Parliamentary Secretary to the Minister of Agriculture (Mr. Lessard), are tantamount to intimidation manœuvers which the government does not fear.

After parading on several occasions in recent years before federal ministers and various officials and failing to convince ministers of the validity of producers' grievances, the leaders of producers' unions and farmers' organizations then decided, as I was just saying, to make massive representations. Those people have to spend money—of which they have too little as it is—in order to come and make representations; but in face of need, in face of their leaders' insistence on their taking the trouble to travel in order to try and make their point, they still accept to make this sacrifice. In other words, they go back thinking that the ministers listened to them but were not determined to act upon their valid grievances. Each of them then goes home thinking that the federal government does not act and is not fair to them.

For this reason we see groups which aim at regionalizing Canada spring up across the country, be it in eastern, western, or central Canada. Having promoted this concept, they still fail to improve the situation. So we see separatist movements being born everywhere, and I am afraid that unless the situation is improved at the roots—at the economic level—far from improving, it will go on worsening.

Mr. Speaker, in the face of all those situations, I am extremely upset and I appeal to all hon. members. I am aware that my appeal may mean nothing, but in any event allow me to express at least one wish, as this is the last day of the year and I think we are going to use it properly. At the rate at which we are going we will be fit to start the year 1972 on the right foot. Anyway, here is my wish: even if Liberal members boast about exerting pressure within their party, the fact remains that they fail to bring about many changes in this government's grain policy. In fact, if I may refer to a government member who said that he barks very loud inside his party, a producer once said quite rightly that he could not bark any farther than the leash which restrained him. I thought it was a marvelous remark, Mr. Speaker.

• (12:40 a.m.)

If we take into account the events that for several years have taken place in this House, we find that such comments have been very often made. This is why I suggest that the institution wherein we are gathered tonight is a very special place for the people's representatives because they can express opinions and make effective representations.

Finally, I believe that the proceedings in the House of Commons and the official positions that are defined are the best means of exerting pressure, and I think that when the Minister of Regional Economic Expansion (Mr. Marchand) met with the producers of Quebec last week and apologized for leaving the delegation, he rightly stated that he had been elected to the House of Commons to work and that it was his duty to be there. I also agree with this opinion of the Minister of Regional Economic Expansion.

I still believe that Parliament is the most suitable public place for an elected representative to effectively defend the people's interests be they at the farm producers' or the Canadian consumers' levels.

The bill—and it is an important aspect—should provide that when it is necessary for Canada to import a designated farm product, this product be marketed by marketing agencies as would be a farm product produced in Canada. This procedure is not new because it is already implemented in regard to alcoholic beverages. We all know that imported alcoholic beverages are marketed in Canada through provincial liquor boards and nobody complains. This would not entail any reprisals against any country because they would be domestic boards, and that has nothing to do with external policy.

The minister already said that there are other bodies responsible for issuing import permits. I admit it but that is beside the point. We have to include in the bill a provision to the effect that when a farm product is imported with a permit that product be marketed through marketing agencies in that category. I think we will have very serious problems and producers in Canada will have to fight competition on the domestic market if importers sometimes unknown to the public try above all to make money even if it should be detrimental to the producers in Canada.

A moment ago the hon. member for Essex (Mr. Whelan) emphasized this and he was right when he said that producers in Canada will sometimes have to suffer from price setting which will not in fact take into account the production cost because of uncontrolled imports which could bring about a decrease in the prices which should benefit the producers in Canada. Such a policy would not be advantageous to farm producers in Canada.

This is why I ask that any imported natural farm product be subject to the same marketing rules which apply to Canadian products, and I do so because clause 3 of this bill is seriously deficient. In fact, although it says that the majority of the members of the National Marketing Council will be primary producers, the fact still remains that they will be designated by the government. So they will be political appointees and I blame the government for not allowing the farm organizations concerned to designate their representatives to this council, and I think that this might place agriculture under the dependence of the federal government.

This is why earlier, through an amendment at the report stage, if I may point this out, Mr. Speaker, an appeal was made to the government for the officers that will manage these agencies to be mostly farmers and producers, so that they will have this additional protection which they absolutely need.

Clause 19 leaves the government entirely free to appoint the members of marketing agencies. Again, I fear that those directly concerned, that is, the producers, will not have an opportunity to control the marketing of their own production. If I had had time, I should have liked to deal

with the question of quotas. In any case, this question was analyzed rather at length and everyone expressed his opinion on that subject.

I think I must conclude, Mr. Speaker, by proposing a motion that I consider reasonable. Perhaps I will be accused of delaying adoption of this bill. They will say that I want the bill referred to the Committee on Agriculture so that its adoption takes even more time, but that is not the question. I do this because under the Standing Orders I did not have the opportunity to move a motion at the report stage. Under those circumstances one must accept the procedure and I have an opportunity on third reading. Here is my motion.

Seconded by the hon. member for Richmond (Mr. Beaudoin) I move:

That Bill C-176 be not now read a third time, but that it be referred back to the Standing Committee on Agriculture, with instructions to amend clause 2(*c*) of the said bill in order to include any imported natural product of agriculture.

Mr. Speaker: Order. I regret to have to advise the hon. member that since an amendment motion has already been introduced, his motion cannot be accepted at this moment. However the hon. member may have the opportunity, later on during the debate which has barely started, of presenting his amendment motion.

Mr. Marcel Lessard (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I feel that the House of Commons is living a rather historic moment this evening in that we have gathered here in Ottawa, this week, quite an impressive number of members from right across Canada. In view of the time of the year, between Christmas and New Year's, I believe this is a precedent, since we have worked exclusively for Canadian agriculture.

Mr. Speaker, with this bill which we all hope will become law tomorrow, we are for the first time introducing into our Canadian statutes a great principle which will be recognized nationally; this, I feel, is a new start for the Canadian agricultural industry.

Of course, this legislation is not perfect, as it has been mentioned. Indeed no legislation is perfect. However, it is a beginning and I am confident that this government or the following ones will amend it, when experience has shown that it is necessary to do so.

During the lengthy debate on this bill, we had the opportunity to hear all kinds of views, proposals, assumptions and suspicions to the effect that the government wanted to destroy the small farms and control Canadian agriculture. Indeed, this was stated a while ago by the hon. member who has just resumed his seat. However, I find it curious that a bill which is so bad has practically been approved by a member of the opposition who is precisely one of those who have been leading the debate against that bill for almost 18 months. Indeed, on April 27, 1971, when we undertook consideration of that bill, the hon. member for Crowfoot (Mr. Horner) said, as can be found on page 5294 of *Hansard,* and I quote:

• (12:50 a.m.)

As I understand it, this is basically enabling legislation or, at the utmost, permissive legislation. Nobody will be involved unless he wishes to be. This is enabling legislation which will encompass no part of the agricultural industry unless it really wants to be encompassed.

How come, Mr. Speaker, that this official spokesman for the opposition has been able to claim all through the debate, which lasted 18 months, that this legislation is a yoke, a threat to Canadian agriculture, while he himself, if he is an expert as he claims to be—and I think that he really knows agriculture—made, on April 27, the statement that I have just quoted?

Mr. Speaker, the New Democratic party has also moved an amendment asking that consideration of the bill be postponed or that the bill be referred back to the committee for further study.

Mr. Speaker, I have personally attended every meeting of the committee and there have been many. I am not ready to support such a proposal, because nothing would be gained by referring the bill back to the committee. At any rate, the present session will end in a few hours. Obviously, the motion of the hon. member for Timiskaming (Mr. Peters) is completely out of order.

Mr. Speaker, I would also like to point out that this is a permissive measure, which means that the bill authorizes groups of producers to make use of delegated federal and provincial powers to market their products. Some say that this will mark the end of the small farms. It is possible that some small farms will disappear, as thousands have disappeared over the years but not because of that bill. They will disappear for many other reasons, just as all kinds of industries and undertakings disappear and others are born every day, every month.

This bill will strengthen the whole Canadian agriculture. As for those who fear for it the detrimental effect of imports, let me reassure them and tell them that marketing agencies are the best tools to honestly control imports since imported products will be put on the market in provinces where there will be such agencies and that an imported product will have to go through that kind of agency before being put on the market if such product is controlled in the province in question. So, there is no reason for fear in that sector.

As for those who are making all kinds of interpretations regarding this bill, I will answer them that some people said that the government had retreated, that it had accepted compromises, it was said that this was bad legislation, that we had to accept scores of amendments. On the one hand, when we introduce a bill, we are told: If you do not accept amendments, you are obstinate. On the other hand, when we agree to amendments, we are accused of bringing in bad legislation and of not knowing whether we are coming or going.

People will have to make up their minds one of these days and know what they want. Or the government will present unalterable bills and then we, government members, will not agree because we want to have the right to discuss and amend proposals when we feel it is necessary. And this is precisely what has been done in the case of several other bills that were passed.

Mr. Speaker, I am convinced the measure before us is good. It is the best that we could pass in the circumstances.

It is my personal conviction that producers now facing marketing problems of eggs, poultry and related products

will almost immediately avail themselves of the benefits of the legislation.

As far as other products are concerned, the legislation will be available to producers who want to resort to it, since it will be included in our statutes as of tomorrow.

The legislation has been described as "permissive" and it will be up to producers, and to them only, to determine whether or not they want to avail themselves of it. The decision will be that of a majority of producers, as is specified in several places in the bill and again today in an amendment to clause 2, which eliminates the designation of products while effectively excluding no products. Products will come under the bill as and when required by the producers. The bill is at their disposal and I am convinced that it is good. Of course it will not solve all problems. Nobody thinks that. It is a tool to solve our problems.

The hon. member for Bellechasse (Mr. Lambert) mentioned earlier the representation made by the farmers last week in Ottawa and the fact that, as parliamentary secretary to the minister, I have stated that these pressure groups could not intimidate us. Such groups do not intimidate us. When groups come to make objective representations and express themselves respectfully, there is no problem and they are welcome. But when individuals, members of a group, use language which I do not tolerate and do not use, I have a right to object to their using such language, and that is what I said to one or two individuals in that group. And I am not afraid to take such a stand.

I do not know whether the hon. member for Compton (Mr. Latulippe) was speaking yesterday on behalf of his party—I presume that such was the case—when he stated as recorded on page 10833 of *Hansard* and I quote:

—And a great number of those remaining will go the same way with the coming into force of Bill C-176—the most infamous bill ever proposed to a nation. We are dragging farmers out by the neck. Whether they like it or not, they will have to follow, (it is) dictatorship.

I completely disagree with this statement of the member for Compton. There is absolutely no dictatorship but true democracy, since they will decide themselves, through a democratic vote, whether to use this legislation. It is not an infamous legislation, but one that was requested by the farming associations over the last 30 years, and unanimously by the people of the Quebec C.F.U.

If they claim to represent the farming people, the Social Crediters were entirely mistaken in taking their present position with regard to Bill C-176. I think the farmers will know who are their true friends in Ottawa. They are not necessarily those who are barking, as the hon. member for Bellechasse said earlier. It is not by barking that results are achieved, but through sustained work done here by scores of hon. members in committee and in the cabinet, in co-operation with the ministers. Those are the ones who do the work in the background, not some brilliant demagogic work intended to make the head-lines, but some constantly constructive work. That is what we are trying to do and what we will continue to do, whatever may say those who are trying to degrade us here in this House.

Mr. Chairman, I am delighted to see the end of this long debate tonight and in concluding my remarks, I should like to thank sincerely all the members who have helped us in every way, especially those from the government party who supported us during the numerous committee sittings. I want to thank them because it was not easy and I know it. I want to thank, for their presence, the 115 government members who were here tonight.

When they hear that the leaders of the opposition parties would not even come here tonight to take part in this debate and vote on this bill, the farmers will know which members are really concerned about the agricultural community.

In concluding, I wish 1972 will be a year of prosperity for the farmers and for the Canadian people generally.

[*English*]

Mr. Cliff Downey (Battle River): Mr. Speaker, we are witnessing the culmination of a debate which has lasted for years. It was a disappointment to us to find that after Bill C-197 in its original form had died on the order paper following major criticisms by producers across the country, instead of remodelling the measure on the lines requested by the producers, the minister saw fit to bring it back in substantially the same form. This led to the controversy which has taken place and to the changes for which we have fought so hard and so wearily in the months since Bill C-176 was brought down.

I do not think anybody in the country is against marketing boards as such. My concept, and I think the concept held by most producers, is that of producers banded together to negotiate on the best possible basis, to research the world to find markets for their products and bargain on the most advantageous terms. This is my concept, and I think the concept of the majority of those in this House as well as all the producers of the country, with regard to marketing boards. The hang-up comes from the supply management aspect. Supply management cannot help but be inward looking. It is a withdrawal from the markets of the world.

• (1:00 a.m.)

Some hon. Members: Hear, hear!

Mr. Downey: It has to be inward looking. Supply management in any country, Canada in particular, cannot work without import controls. We all know that to the degree we depend on export we cannot have import control because we will ruin our total export base. This is the bind we are in.

Supply management becomes impractical when you look at it in terms of designated quotas and this type of thing. This is where we run into trouble. Maybe we should look at the motives of those that seek supply management.

In response to the remarks made by the hon. member for Crowfoot (Mr. Horner), the hon. member for Fraser Valley East (Mr. Pringle) said this afternoon: "You do not know anything about marketing boards. You do not know a member of one of those boards. You do not know what they are like at all."

I want to read a profile of an individual who is pushing quotas and supply management in this province and a profile of an individual who presented evidence at the egg inquiry in Ontario. I will not name the gentleman. He has been chairman of the egg board. He is or has been a director of many of the poultry organizations in the country. This is the way his record reads. He is the biggest

Purina feed dealer west of Toronto. He owns a turkey hatchery and a turkey processing plant. He has about 50 per cent of the Ontario quota, which amounts to about 7 per cent of the Canadian turkey quota. He has over 100,000 hens, a broiler quota and 500 head of beef cattle. At the time he was going around Ontario campaigning for quotas and supply management, he had buildings under construction in order to increase his quota. I have pictures of those buildings under construction. When this was brought to the attention of the court, he backed off and stopped building. That is a portfolio of one gentleman seeking supply management in this country.

I have another portfolio of an individual who appeared before the present egg inquiry in Ontario. This lady was only two weeks out of hospital after having a baby. She has seven or eight children. She told how they scraped and saved in order to keep their family going. Yet they stayed in business against the large integrators. I quote one small section from her brief:

> In the proposed marketing plan the producer-grader is assured of being able to continue his present operations. However, in the same plan it also clearly states that the board shall have control of all eggs. I haven't been able to obtain from any board director quotas at any meeting I have attended or a clear direction as to the board's intention. Therefore, we cannot help but be apprehensive when we see what happened to producer-graders in Quebec under Fedco.
>
> It is only logical that if producer-graders are allowed to continue under the proposed plan, they will become very quickly a thorn in the side of the board. They can undersell, and, most important, they have quality and the personal touch many people appreciate. Once again referring to Fedco, it was not only the price differential that caused the black marketing of eggs, it was quality. Droves of Quebeckers came to Ontario seeking fresh eggs and what did Quebec become but literally a police state; raiding stores, stopping and searching trucks and even individual cars. Democracy?

That is what one person has to say about supply management. She went on to talk about the fact that the farmer feeder can still compete against the large integrators. This was borne out in the evidence time and again at the egg inquiry in Ontario.

It is the large integrator who is worried about what is happening. He wants to maintain the price with supply management. We run into cases where people tie themselves up in order to increase their quotas to feed companies and integrated operations of this type. Even though they are producers of grain and have grain on their farms, their contract which enables them to borrow the money to carry on states that they must go to the mill to buy their feed. They cannot use their own feed. In effect, they cannot function as farmer feeders any longer because of this credit requirement. It is these people who depend on the integrators. It is the integrators who are pushing the concept of supply management.

On top of that, we still have inherent in Bill C-176 the clause that relates to anyone involved with the bill not being liable to prosecution under the anti-combines act. What value is the competition act to the small producer looking after himself in a situation where he is competing against the integrator? The fact is that in many cases quotas represent a great deal of money. I and others have spoken of what happened with the tobacco situation in southern Ontario. We have the same situation here with regard to the egg quotas where quotas are worth $3 a bird.

I have people on my list who have 250,000 or 300,000 birds. A quota is worth over $1 million to these people. We are trading in very large figures here. This is what is happening today with the concept of supply management.

There are various other factors that enter into this bill which have been well covered today. I was disappointed when I listened to the hon. member for Elgin (Mr. Stafford). I hesitate to mention this when the member is not in the chamber, but he spoke of the success of the Ontario hog board and how it set price. He spoke of oversupply and of the great things that boards like this do.

This country is the next door neighbour of the United States. How much of the total hog production do we have? Is it 5 per cent, 7 per cent? I think it is around 7 per cent. Whether we produce or do not produce, they will come in and fill the gap. It means nothing if we reduce our stocks or capacity to produce, because somebody else will just step in and fill the gap.

• (1:10 a.m.)

We depend a great deal on the supports they have in the United States in respect of their agricultural commodities. It is true this might work against us in respect of horticultural crops, but in respect of grain and oilseed crops all the production in the United States which has support on crops works to our advantage, because it maintains the price at a certain level below the border and the benefits flow over to us. So we cannot afford to think about import controls even though import controls would be inherent in any successful supply management situation.

I shall not go any further than that; I know the hour is late. It seems rather in keeping with the way the government has conducted itself on this bill that it sees fit to bring in third reading on such a bill some time after 11 o'clock at night the day before New Year's. The minister had the opportunity at the time Bill C-197 died on the Order Paper, as he did when Bill C-176 was introduced in this House, to make all these changes we have been talking about over the months, instead of making them at this time and place. I think it does the minister very little credit to have this situation develop at this point in time.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, I have been in this House now for four years and I do not think there has ever been an occasion so auspicious as this night when, at 15 minutes after one o'clock in the morning, we are in the middle of a debate on third reading of a major farm marketing bill which will do a great deal to improve agriculture in Canada.

As a person who has been heavily involved in agriculture, and in the dairy industry primarily, as one who has spent many late hours on problems involving cows calving or general farm work, who has had the privilege to attend the same institution as the hon. member for Kent-Essex (Mr. Danforth) as an agricultural representative in Eastern Ontario in the very historic counties of Prescott and Glengarry, as a person involved in dairy farming, as one involved in the agricultural industry as a professional agriculturalist, as a graduate in animal husbandry from the Ontario Agricultural College, and as one who has worked more in agriculture than many members far older than myself in this House, I have never had an opportunity to work into the small hours of the morning doing

something that is more rewarding and beneficial for farmers than taking part in this decision-making process in the House of Commons which brings into fruition this marketing bill.

Let me assure the hon. member for Kent-Essex, a man whose personal integrity I respect very much, that surely he will be fair enough to recognize that no one on this side has ever said—at least, I have never heard it said by anyone on this side—that this bill would be a panacea and solve all agriculture's problems. It will provide the framework under which the provinces or groups of agricultural producers could, if and when they wanted, get together to direct the marketing of their own products. No one says that somehow this would solve all the agricultural problems in Canada in total. Obviously this is not so.

If the hon. member were here—he may have been—when I had the privilege of addressing this House on Tuesday he would know I was one of the members who pointed out with all the emphasis at my disposal that we must be doing more than just passing this single, admittedly limited, bill. I am one of those who has been very critical and very impatient with some members of the opposition who have attempted to hold up the bill which, as the hon. member for Kent-Essex has correctly pointed out, is only a very modest step in the direction of improving the situation in the agricultural industry in Canada, and therefore one which I cannot see deserves any opposition at all. It should have gone through long since.

One reason for my entering the debate tonight is to make sure that the remarks that are on the record in my name from Tuesday are reiterated especially for the benefit of producers of beef in order—to use the phrase of the hon. member for Winnipeg North Centre (Mr. Knowles)—to make it crystal-clear that never at any time was there any possibility of the beef producers being forced into a bill which they did not want.

In other words, there have always been since this bill came before the House at the report stage, and long since as the amendments came before the committee, adequate and complete assurances that no commodity group would be brought in until that commodity group wanted to be brought in.

I think this bill lent itself to being the victim of scare tactics because it was possible to say to people that somehow there is a massive scheme afoot, as the hon. member for Battle River (Mr. Downey) implied, to create a kind of total supply management situation in Canada and thereby place under a bureaucracy the determination of how much or how great a quantity of any agricultural product could be produced and marketed in Canada. This simply is not the case, it has never been the case, nor could it be the case. Surely every member in this House familiar with the agricultural industry or with how our country is made up and governed knows that many of these responsibilities and authorities are within the provincial realm.

Such members would know, therefore, that the federal government could not accomplish this kind of act even if it wanted to do so. The truth is that the federal government never wanted to and never intended to. Certainly the bill never indicated that the government intended to impose any kind of supply management on any group of producers.

[Mr. McBride.]

Another point which should be emphasized is the simple fact that in Canada we have thousands of producers producing products for a very small number of purchasers. This results in the simple situation that if the producers over-produce their product—and since we have very good farmers in Canada and good technology in agriculture we will automatically over-produce in respect of almost every agricultural product—they will find that there is a greater supply than demand. This can result in one of two things. It can result in chronically depressed prices with a downward spiral on income for farmers, which could be helped by the government, in some kind of autocratic, dictatorial sense, nationalizing the agricultural industry out of sympathy for the desperation of the farm community.

• (1:20 a.m.)

By way of an aside I would remind the House that I have really hardworking farmers who when I go out to talk to them say that the time has come when there is no hope of ever getting agricultural producers together, and the day has long since passed when there should be nationalization of agriculture. My response is that I do not favour it and the government in power in Canada today does not favour it either.

This leaves us with only one alternative, which is that we encourage farmers—that is not a good way to run human beings because some do not encourage very well, some will always oppose and some will block what you want to accomplish—but we must encourage farmers to bring some order to the marketing of their products themselves. That is the sum and substance, the aim and purpose of the bill before the House tonight. We want to encourage farmers to organize themselves so that they are not always the victims of the few purchasers; so that they do not always need to suffer because they know how to farm better. The situation in agriculture in Canada today is that farmers are suffering more because they are doing their job better. That suffering must stop, and the purpose of this bill is to give one more, as the hon. member for Kent-Essex (Mr. Danforth) says, inadequate, limited and imperfect but at least one more tool that can be used if the people of Canada who are farmers want to use it to attempt to accomplish what one member said could not be accomplished, in other words, some sort of rational co-ordination of agriculture across this nation.

Some people say, for instance, that Canada is a country that cannot be governed. One speaker earlier in this debate suggested that you cannot have any kind of marketing plan in Canada because of the diversity of regions and areas, and that it is hopeless to assume that some order can be brought to the marketing of a product in Canada. I am not so pessimistic. I do not believe that it is hopeless to have co-operation in this nation. I am not convinced that the people of Newfoundland, of P.E.I. and of Nova Scotia are interested only in their own provinces.

I hope that what I say in this House does not give any hon. member a foundation to believe that I am working only for eastern Ontario, and I speak of eastern Ontario because it is such a huge province that we tend to be a bit regional even within the province of Ontario. Surely the time has come when those of us in any region of Canada must be concerned about the national good, and in this case the national good of the agricultural community.

I believe firmly that if there were legislative machinery whereby the provinces or commodity groups were encouraged to sit around a table to discuss their differences which are so real, so deep and almost impenetrable in some instances but which they could at least confront, we could at least make some progress. None of us, and certainly not myself, would disagree with the hon. member for Kent-Essex when he says that there will be mammoth problems in implementing this bill. I am sure the Minister of Agriculture (Mr. Olson) would agree with him on that. Nobody has minimized the difficulties of governing this country or of establishing national schemes of any type. It is no different in agriculture. But surely the hon. member for Kent-Essex would have to recognize that if we took the logic of his argument one step further than he took it, one would have to argue against such institutions as the Canadian Wheat Board because one would have to say that any attempt to plan or to bring together producers is a hopeless endeavour in the first place. But even he agrees that the Canadian Wheat Board is of vital importance to grain farmers.

The other point that the hon. member made and which I thought was a very good one concerns imports. It seems to me that this bill will be a great aid in attempting to do something more about imports of agricultural products into Canada, because the producers of any commodity will have an opportunity for the first time in Canadian history, if they are smart enough to take advantage of it, to get together and come before the Minister of Agriculture and other officials of the government officially and say that they are speaking for the hog, or egg, or beef producers, as the case may be and the minister will know that that is correct. They do speak for a commodity.

The problem in agriculture is that farmers have always been divided amongst themselves and while one group was working for one goal, another group was working for another and often opposite goal. So this bill will also encourage the hammering out of differences within the agricultural community. Producers will then speak with one voice. I ask the hon. member for Kent-Essex whether he does not think that any minister—and let us for a moment not be partisan or political about this—to whom representation is made by a commodity group would find that the fact that they are speaking with one voice would bring far better results than any representations that could be made in any other way. I think that one of the best things that could happen in Canada, if we are to take seriously the threat to Canadian agriculture from imports into Canada, would be for every commodity group to set up an agency, for the purpose of dealing with the import of their commodities into the country, if for no other reason.

I have been convinced for a long time that this bill had within it plenty of guards to prevent anybody from being forced to do what they did not want to do. Therefore I have been somewhat critical of the Canadian Cattlemen's Association and of other organizations which in my view continually say to us that we are telling them lies, we are not telling them the truth when we say that they have an escape-hatch, that we are not in any way forcing them under this bill.

I will go one step further and say that I have resented that attitude on the part of that organization and I have said so publicly both inside and outside the House. I have felt that their concerns were met, that they were provided for. Yet the organization has insisted that more should be done. But the main concern that I have had about this bill is that when you come to discuss the idea of whether you are going to have the big or the small producer, the big or the small farmer, the fact remains that in any collection of opinion or in any plebiscite that may be held, the small people, just like the poor people in any culture, will outnumber the rich, and the little farmers will outnumber the big farmers. So the vote will inevitably be more in favour of the small producer than of the large producer.

For that reason I cannot understand why members like the hon. member for Vegreville (Mr. Mazankowski), whom I respect as an individual though I do not always hold his opinions in high regard, keeps reiterating, as do others like him such as the hon. member for Battle River (Mr. Downey) who is just as bad on this point, that somehow this legislation will be hurting the small producers and helping the big producers—because he knows, or should know, that there are many more small producers of any commodity, if we get this legislation through soon and into effect before the situation which exists in Canada results in all small producers being obliterated, who could easily form the majority. And the majority which will be the smaller farmers will always control the decision. Therefore, this bill can greatly assist small farmers. Given that situation, I reiterate what I said on Tuesday, that there is nothing to fear in this legislation. The fact that certain organizations have continued, for political gain or other reason, to insist that somehow—

• (1:30 a.m.)

Mr. Paproski: Come off it.

Mr. McBride: The hon. member for Edmonton Centre (Mr. Paproski) may or may not know anything about dairy farming, when he condemns the Canadian Dairy Commission.

Mr. Paproski: Yes, I do. I know a hell of a lot more than you do. I know the difference between a cow and a bull—and all you are giving us is a bunch of bull!

Mr. McBride: We are certainly hearing some bull over there now. The fact remains that without the Canadian Dairy Commission the dairy industry would be in desperate straits today; for instance, in as bad a position as the egg industry and the hog industry were experiencing. I find it difficult to believe that people like the hon. member for Edmonton Centre can imply, by statements like the one he just made, that somehow the Canadian Dairy Commission, and going further, the Canadian Wheat Board, are not working for the benefit of Canadian agriculture. Just because you have some individuals who have a grievance against the institution, or against how the act is administered in a certain case, does not mean that in the overwhelming majority of cases it is not of benefit to the farmers.

Mr. Paproski: What has happened to butter?

Mr. McBride: Surely the hon. member ought to know that when you produce milk you get a lot more powdered milk from your production than you do butter, and if you

produce more powdered milk than you can sell on world markets, that results in losses for farmers. If the hon. member wants to stockpile powdered milk, like we saw a few years ago at Granby, Quebec—

Mr. Paproski: That is poor marketing.

Mr. McBride: It would be poor marketing if we dumped it on world markets at depressed prices. The hon. member ought to know that the major portion of the $130 million that goes to the Canadian Dairy Commission is going into the dairymen's pockets now, and that the average dairy farmer is better off than he ever was previously. The hon. member is displaying his lack of knowledge.

When I heard the hon. member for Kent-Essex say he was going to vote against the bill on third reading, it startled me to realize that what he was really saying was that he wanted a position in agriculture whereby the big man can become bigger and the small man could be squeezed out. Where there is no control then we will overproduce and overproduce and prices will have to be deflated. Jungle law will exist in Canadian agriculture and farmers like those I represent in eastern Ontario, where there are many marginal farms, will be the first to be squeezed out of the industry.

Farmers do not get a pink slip to notify them that they are laid off. They are simply starved out economically, which is the cruellest way to be laid off from any type of employment. If that is what the official opposition want, it is not what I want, and I am very grateful that it is not what the government wants. That's the reason this is a valuable bill for Canadian agriculture.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but his time has expired.

Mr. James A. McGrath (St. John's East): Mr. Speaker, I am neither a farmer nor the son of a farmer, but I am encouraged to participate in this debate, something which I had anticipated with some trepidation, by having been here tonight and heard a lawyer from London, a school teacher from Peterborough and a preacher from the Ottawa Valley. I have not seen anything like it since Hon. Paul Martin made his famous soybean speech in the House a few years ago.

I come from a province that is agriculturally deficient, yet there is concern in Newfoundland over this bill. I hope to set out the reasons for this concern, and to set out the reasons why I am concerned. Among other things, I am concerned about the propensity of the government to add to an already growing bureaucracy. That is precisely what this bill will do with the supply management concept. It will create a greater bureaucracy. It will restrict competition. It will prevent young people from entering the agricultural industry, and in my province where we are hoping to build up an agricultural industry, that is cause for concern. What is of even more concern is that the bill will eventually mean increases in food prices to the consumers. That is something which should be of concern to all members of the House.

While recognizing the need for improved marketing mechanisms at the primary producer level, in my view supply management as proposed in this bill is not the answer. Supply management will only create quotas on a national basis and as a result these quotas will ignore the need for competition because those who have them will have an economic advantage. The result will be a monopoly that will greatly affect the over-all efficiency of agriculture. Not only am I concerned about the prospect of a growing bureaucracy; I am also concerned because the bill violates the letter and the spirit of the BNA Act. I intend to state arguments to prove that fact. Section 121 of the BNA Act provides:

> All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the Union, be admitted free into each of the other provinces.

This is one of the fundamental aspects of confederation; it is the sheet anchor of confederation. If confederation is to mean anything in this country, it has to mean a common market for all Canadians. Without this very important provision of the BNA Act Canada would not be a country as we know it. Instead, it would be an association of balkanized states. That is one of the things which this bill will bring into being. Clause 31 of the bill, which deals with federal-provincial agreements on marketing agencies, will provide an opting-out formula for the provinces. There is already an indication that Newfoundland will not be a party to such an agreement.

We have an egg marketing board in Newfoundland. Although we may be agriculturally deficient in most areas, we do produce a surplus of eggs. One of the reasons we produce a surplus of eggs is that we have large egg producers. One of the largest producers of eggs is the present caretaker Premier of Newfoundland, and someone suggests that there are a few rotten eggs in that basket. I would like to ask the minister, what will be the legal position of an egg marketing board in Newfoundland, which has already been declared ultra vires of the constitution by the Supreme Court of Canada, if this clause of the bill comes into effect? Under clause 31, if the province of Newfoundland decides to opt out or stay in, does that mean that it is still denied access to the greater Canadian market in the area of egg production? That is precisely what it means. It means that this bill will not protect the people of Newfoundland from the illegal egg cartel which exists in the province today.

• (1:40 a.m.)

I remember directing questions to the Minister of Agriculture (Mr. Olson) in this House regarding the legality of the egg marketing board and he answered, "Why doesn't the hon. member encourage his colleagues to pass Bill C-176?" Now I find that at this late hour we are going to pass Bill C-176 with that escape clause, because that is what clause 31 is: it is an escape clause which will permit provinces such as Newfoundland to violate the constitution of this country with illegal marketing boards which will deny our people access to the greater Canadian markets. It is outright violation of our constitutional rights as a province of Canada. What will be the effect of that, Mr. Speaker?

I do not expect to touch the hearts of hon. members opposite because if I did this bill would not be going out of here in its present form. The province of Newfoundland has the unique distinction of having the highest per capita cost of living in the country and the lowest per capita income. It means that the people of Newfoundland will

continue to pay an inflated price for eggs which is established by an illegal cartel which resists the ordinary laws of supply and demand and keeps prices up by dumping eggs. The people of Newfoundland, the consumers, will have to pay for this escape clause, clause 31 of the bill, notwithstanding the assurances the minister gave me in this House when I raised the matter at the time of the establishment of the Newfoundland Egg Marketing Board a few months ago.

I hope that the minister will address himself to that argument, because as I read clause 31 that is precisely the result and the effect of it. It will mean that provinces which do not decide to be a part of the marketing council to be established by this legislation will be able to continue operating their own illegal marketing cartels notwithstanding the ruling of the Supreme Court of Canada and notwithstanding section 121 of the British North America Act.

I say, Mr. Speaker, that it is a sad day for Canada when we allow the constitution of the country to be violated by legislation passed by this House.

Mr. Olson: Boy, is he ever mixed up.

Mr. McGrath: I should like to ask the minister what the position of the marketing boards already established in the provinces will be if this bill passes in its present form. For example, if they decide to opt out and not be a part of the over-all marketing council, will that then represent *de facto* recognition by the government of the right to exist of that provincial marketing board? If that is the case, then this bill violates the law of the country. It violates the constitution and denies the provinces free access to the common market that is Canada.

Mr. Speaker, I know that there is nothing that I nor anybody else can say that will change this bill at this late hour. The government will have its way. But that does not take away from us our responsibility, indeed our right, to lay these arguments on the record because there is concern across the country. This country is much more than the two provinces of Quebec and Ontario. The country must be a common market if it is to be anything.

I am concerned with this bill. I think it is unfortunate that not enough arguments have been addressed to the effect that it will have on production in Canada and the effect that it will have on the consumer. I was examining the records and I was rather disappointed at the small input by consumer groups when the bill was before committee. I believe the various consumer associations are concerned, but I do not believe that they realized the full impact of the bill. I think one consumer group appeared before the committee but I do not think they fully realized that this bill would permit removal of the protection afforded consumers and producers by the constitution of the country, by the various judicial decisions of the Supreme Court of Canada and the provincial courts of the land—an assurance of free access to the markets of Canada, which is the best assurance we have of keeping down prices to the consumer. I believe that instead of having access to the free market that is Canada we will now have a bureaucracy that will be able to dictate prices of produce, restrict the flow of trade and halt the ordinary laws of supply and demand which would govern the price for the consumer in this country.

In view of the late hour, Mr. Speaker, perhaps it might be as well if we all decided to cash it in and sing "Auld Lang Syne" because this is New Year's Eve. I am glad to see the Prime Minister (Mr. Trudeau) in his place tonight: he has to get used to late nights from now on. As the father of six, I can speak with authority on that subject. Perhaps it might be as well to close debate with "Auld Lang Syne," not only on this bill which has been before the House for the last two years but for the free market that was Canada.

Mr. Ross Whicher (Bruce): At this late hour, Mr. Speaker, it is not my intention to take too long. As a member of the Standing Committee on Agriculture since 1968 when we were first elected, I feel it my duty and obligation to say something about this bill which has taken so long to culminate—we hope—at this very late hour. When the last speaker was suggesting that we sing "Auld Lang Syne" I could not help doubting whether even the Tories would want to sing it for such a speech as he gave.

An hon. Member: He meant "Old Arthur Lang".

Mr. Whicher: My dear friend, you are a perfect example of why we should legislate birth control. With an example such as you, we should make it retroactive. You do not bother me at all, because I am used to professionals and you are not one of those. If it comes to a battle of wits, you haven't even half a chance.

Mr. Speaker, I have been a member of the agricultural committee for the last three years. In this respect I want to compliment members of the Conservative party, and particularly the hon. member for Crowfoot (Mr. Horner). In my opinion he has done much to bring this bill to culmination.

An hon. Member: That is the kiss of death.

Mr. Whicher: I think that he has represented the farmers of Canada along with government members, members of the New Democratic Party and members of the Social Credit party from Quebec. The time had come when we all realized that something had to be done for the agricultural industry of Canada.

• (1:50 a.m.)

No matter whether high school teachers in Newfoundland or Toronto, engineers in Montreal, politicians in Ottawa, Toronto or St. John's or nurses think they are at the low end of the totem pole, the people who get the thin end of the wedge are those in agriculture in this dear Canada of ours. I remember 17 or 18 years ago, when I first got into politics, thinking that even if it were the last thing I would do, I would try to improve the condition of the people in my area involved in agriculture.

Mr. Bigg: What took you so long?

Mr. Whicher: Mr. Speaker, I say to you with bowed head, those people are worse off now than when I started.

An hon. Member: Because you were elected.

Mr. Gibson: Why don't hon. members on the other side let their members speak? He is a better speaker than many members on that side.

An hon. Member: Be quiet.

An hon. Member: Hoot, hoot!

Mr. Whicher: I did not hear my hon. friend from Newfoundland. I think he is emphasizing that we should have had birth control before he was born.

Some hon. Members: Hear, hear!

Mr. Whicher: My hon. friend from Newfoundland does not realize that although he does not agree with me, many people in his party do agree with me and would, if they could, say what I am saying. My friend from Newfoundland is in the wrong.

Mr. McGrath: Is the hon. member talking about birth control, or this bill?

Mr. Whicher: The hon. member is in the wrong league. He is in the international league, and I do not think he will be back here after the next one begins.

Let me return to the agricultural industry. I pay my compliments to the members of the official opposition who in my opinion have done an excellent job in making Canada aware that the agricultural industry is not getting a fair shake in this country. I listened especially carefully to the hon. member for Kent-Essex (Mr. Danforth). He was the official speaker for the Conservative party and he said that this bill is no good. But he did not present any alternative. He did not say, Mr. Speaker, that the Canadian Federation of Agriculture is for this bill. He did not say that the Farmers Union is for this bill. He did not say that the little producers of Canada are for this bill and that we, as Liberals, are going to give them this bill tonight.

Some hon. Members: Hear, hear!

Mr. Danforth: Mr. Speaker, I rise on a question of personal privilege. This is the second time in 14 years that I have risen on a question of privilege in this House, and I do so now because of misrepresentations. The speaker who just preceded me indicated that I did not say that the Federation of Agriculture supported this bill and that I did not say the Farmers Union supported this bill. The hon. member did not say that both those groups when they appeared before the committee said that they would support this bill only if their suggested amendments to it were accepted.

Mr. Olson: That is not a question of privilege.

Mr. Whicher: Let me tell my friends on the other side who are listening to me that I agree with what the hon. member said. The Farmers Union and the federation said that they would not accept the bill unless there were amendments and, Mr. Speaker, we have given them amendments.

Some hon. Members: Hear, hear!

Mr. Whicher: And, Mr. Speaker, my hon. friend did not say tonight that the Ontario Minister of Agriculture, Hon. W. A. Stewart, now supports this bill. He did not say where that minister stands on this bill, because that minister believes we should have put it through one year ago, not tonight.

Mr. Danforth: But he still has his reservations about it.

[Mr. Gibson.]

Mr. Whicher: The agricultural industry of Canada—I say this with bowed head—has not had a fair chance. And I say with bowed head that they have been asking for national marketing legislation for many years.

Mr. Bigg: You people have been in power for seven years. Why did you not introduce it sooner?

Mr. Basford: Why didn't Dief do something about it?

Mr. Paproski: Just wait until the competition bill comes up. You will be next.

Mr. Whicher: Mr. Speaker, I appreciate the help from the other side but I do not want you to think I need it.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order, please. Perhaps because we have reached a late hour, hon. members want to make their speeches at the same time. I think the hon. member who has the floor should be allowed to speak.

Mr. Whicher: The farmers of Canada asked for an amendment that would give them the opportunity to run their own show. Actually, the Conservative party helped in this regard. They were helped by government members, because they could not have done it on their own. Under our democratic constitution, the government had a majority of members on the committee and we agreed that farmers should represent at least 50 per cent of the people running these agencies.

Mr. Bigg: Why not 51 per cent?

Mr. Whicher: Well, if the board consists of three members, and the requirement is for at least 50 per cent to be farmers, that means that two of those members will be farmers. It means that six out of nine members will be farmers on a nine-man board. Clearly, more than 51 per cent of the representatives in those cases will be farmers.

Mr. Bigg: Why not take a six-man board?

Mr. Whicher: Because there are not to be six at any time.

Mr. Bigg: How do you know?

Mr. Whicher: I know, and it is obvious that you do not know. My advice to my friends, because they are my friends, is that they should keep quiet. They are getting into difficulties. They are digging their own graves. Actually, they are jumping in. In any event, we have given the agricultural industry the right to run its own show.

Mr. Bigg: You have had seven years to finish the job.

Mr. Whicher: It will not take me more than three minutes to finish with you, my friend. The point is, we have given agriculture something it has asked for. I say to my friends on the government benches, many of whom come from great cities like Toronto and Montreal and many of whom may not be familiar with this bill, that once and for all we will give the agricultural industry of this country a chance to run its own show. We are to give the industry, agencies and councils, or whatever you want to call them, that will be comparable to the great unions running organized labour in this country. I am not like my

friend from Newfoundland. I do not fear higher consumer prices. The farmers, regardless of prices that will be charged—prices within reason, that is—are to get a fair shake. For once they will get a fair return for their hard work in producing our food.

One of my hon. friends said tonight that he was afraid this bill does not control imports. May I say, because I want to be fair, that I am also a bit leary about that point. I feel that for the sake of the agricultural industry in Canada, just as we control, for example, the importation of textiles coming into Canada, sooner or later we have to take a stand to make sure that our farmers, whether wheat farmers from Saskatchewan or dairy farmers from Quebec, get a fair deal. I think we should to some extent control imports of agricultural products.

• (2:00 a.m.)

Mr. Bigg: Then why not put it in the bill?

Mr. Whicher: We do not put it in the bill because there are other bills which cover it. It is so obvious. I have all the answers, but I am worried about your questions.

Some hon. Members: Oh, oh!

Mr. Whicher: I simply say this, in conclusion. It has taken a long time to give the agricultural industry the things it has requested. We are doing so here and now, not just the government members but those to my left too, despite all the opposition they have put up. All of us are involved. I see the Prime Minister (Mr. Trudeau) here tonight.

Some hon. Members: Hear, hear!

Mr. Whicher: He is doing his best for those in the agricultural industry. I have heard the hon. member for York South (Mr. Lewis) say on numerous occasions that farmers should be given a better deal. But where is he tonight when we are fighting for the agricultural industry? Somebody told me where he might be. I have no idea. Somebody suggested he might be in Malta. The British are supposedly moving out of there, and somebody else is moving in. I do not know what the hon. member for York South is doing, but one thing I do know: he is not looking after the farmers of Canada.

Then again, I note the Leader of the Opposition (Mr. Stanfield) is not here. I say this very respectfully because I think he is a fine gentleman. The other night I sat by my television set all by myself and heard him condemn the government for letting Parliament go away for six weeks instead of looking after the business of the country. I ask this question with all respect: Where is he tonight when the agricultural industry is demanding his attention?

Some hon. Members: Hear, hear!

Mr. Whicher: In case the hon. member for York South thinks we need him here, in case the Leader of the Opposition thinks we need him here, I want to tell them this: the members of the government side are here and we are here to look after the farmers.

For too long have we let them down, and I include myself in that category. For too long have the Tories, the Grits and the social democrats let them down. But we are not going to let them down any more, starting tonight. I look around here at the front benches. There are more on the front benches of the rump than there are on the front benches of the rest of the parties. Very soon this debate will be ending. Very shortly the farmers of Canada will have the opportunity of getting something for which they have been asking for years and which they should have received earlier. Regretfully, they were not given it in the past. But, proudly, I tell Your Honour that as of tonight, because of the actions of the present government, they will get something which for the first time in history will give them an opportunity to go forth together with the other economic forces of this country.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, even though it is late, it is a pleasure for me to rise and speak on this bill which to me is of extreme importance.

First of all, I should like to say that I was very happy indeed to sit on the Committee on Agriculture since I was elected to the House. I may indeed have been the only member to sit in two capacities on that committee.

I should add also that Bill C-176 had some bearing on a decision I had to make at one point. Concerned about respecting my commitments toward my electors, particularly the farmers, I had to make a decision because I believed and still believe in the value of this bill which was introduced some 18 months ago.

I do not wish to miss the opportunity of taking part in this debate, because as several other members I am clearly under the impression that I have things to say. The work in committee has indeed enabled me to understand the legislation better and I had realized for a long time that agriculture needed some governmental solutions.

A lot has been said about this legislation and since the beginning of the debate many serious charges have been laid by both sides of the House. I would like just the same to congratulate those who took part in the discussion, as well in committee as during the report stage and on third reading.

For several, the legislation is the source of much concern. Anyway, I think that the bill will be valuable inasmuch as it is applied by the responsible persons, the producers and different provincial authorities.

• (2:10 a.m.)

Amendments have been brought forward, some of which were very sensible. Others were not so brilliant. To say that the bill is, in any way, perfect would probably be exaggerated, because a perfect bill would be something like a miracle, and I do not think that anyone in this House could have proposed a miraculous solution. But between doing nothing and contributing something which seems interesting and most valid, one had to bring out a bill truly inspired by the difficulties which agriculture is facing in this country.

It has been regretted that this bill does not provide more money for farmers. I think that the marketing agencies will be able to establish a certain relationship with decent prices, which is what farmers are still expecting.

The hon. member for Compton (Mr. Latulippe) was saying, yesterday, that in the name of liberty, he was

going to vote against the bill. I still fail to understand how one can make such statements. In the name of freedom, it seems to me that it has been proved for a long time already that this legislation guaranteed this freedom to this group of producers.

Furthermore, some suggest that the legislation could be helpful to trusts. In my view, nothing more than these marketing agencies can bring such trusts to heel. There is always the fear that some small producers will disappear. In fact, some take pleasure in saying, again and again, that, in the last ten years, thousands of farmers have gone out of business, and one sees also that trusts have been established, because of the lack of marketing agencies, as a result of which production has not been well-planned, while this legislation appears to ensure the opposite.

So, it is difficult to understand the arguments put forward by some hon. members who are determined not to see the good effects of this legislation. Surely they could see how the legislation works.

Yet, it is clear that changes were necessary and the government has decided to bring them in.

I was, like many others, quite impressed by the comments of the hon. member for Kent-Essex (Mr. Danforth). I think that he has been able, as usual, to express his opinion quite judiciously and I was left with a good impression. Besides, I know that he is competent enough to give valuable advice to hon. members.

I would also like to deal with imports which apparently have been a problem for quite a while. It is clear that the government has the responsability, especially at certain times of the year, to put a limit on imports. But we will have legislation based on marketing agencies as a National Council to administer these agencies. It appears to me that this legislation is more valuable than all the agencies we have known to restrict imports which at certain times of the year are quite a problem.

That fear and those imports that are too often responsible for the difficulties of several categories of producers should gradually disappear as a result of the establishment of a national council, and of a provincial agency well structured by a national policy.

I should like also to recognize that the bill seems to ensure there will be no infringement on provincial jurisdictions, contrary to some opinions that have been expressed in the House. It seems quite clear that the provinces will have the opportunity to sit at the same table. They will have the responsibility of distributing production.

Earlier I heard an hon. member from Newfoundland say that this province produced more eggs than it consumed. I am sure that the provinces will get together and accept to some extent that Newfoundland be allowed to keep on distributing its surplus in other provinces, the same as Quebec and Ontario presently have the possibility of exporting their surpluses to other provinces.

In view of the past experience of Quebec and Ontario, where it was realized there were difficulties, it seems those marketing agencies headed by a national Council should bring us some security and make us more optimistic than some have shown to be to this day.

Of course there must be agreement to ensure that negotiations between provinces and good faith of all those involved will always be necessary.

[Mr. La Salle.]

It is inconceivable that the government will have settled everything through this legislation. Our farmers will always have to show some creativity and good faith and I believe that such good faith to all intents and purposes will bring about fruitful negotiations beneficial to the whole country.

Nor do I admit, as was suggested yesterday, that up to a certain point the province of Quebec sought to impose its demands. It is stupid to claim such a thing and as a representative of the province of Quebec, I, along with members from other provinces indeed have long dreamt of nation-wide negotiations for the purpose of more equitable distribution in the interest of all producers.

Do I need to repeat that this legislation becomes a tool, a service to producers who, in all freedom, will be able to use it properly.

I would also like to point out, Mr. Speaker, that changes and progress demand a minimum of efficiency. We are preoccupied with the disappearance of a number of small producers. I think it is equally important for the government to do all it possibly can in order to ensure the continuity of family farms.

I think that those marketing boards will allow for the continuity of family farms, for, as well as providing a livelihood for family heads, they may encourage a farmer's son to go on living on a farm, as it has been clear for too long that the reason our farmers' children chose not to follow on their fathers' steps was that they knew the problems which their fathers were faced with—and the proposed legislation is certainly going to increase the chance of safeguarding family farms.

We must not think that it is going to protect all small producers. I think that progress demands a degree of efficiency. Whether we like it or not, I think that progress is a natural phenomenon which cannot be escaped. There again, the establishment of those marketing boards will allow a grouping of a number of middle producers to survive and to stand up to those monopolies or cartels against which they are at present completely helpless.

• (2:20 a.m.)

There was some talk about an amendment aimed at establishing a reasonable price. It is of course desirable that, inasmuch as possible, the government be able to establish reasonable prices which would generate hope and enable farmers to meet their commitments.

I was saying that the farmer should be more creative than ever and the government and provincial authorities should be more open minded and more understanding than ever in regard to the implementation of such a bill. Negotiations will not be reduced and large organizations will have to multiply if we were to seriously establish these marketing agencies.

I shall ask leave, Mr. Speaker, and express once again the confidence I place in hon. members who have participated in this debate. The effects of such a legislation will anyway equal the honesty displayed by all members and by those who will be entrusted with the management of this National Council and who will endeavour to meet the provincial authorities and various organizations in order to establish offices for each commodity.

On behalf of Canadian farmers, I would like that the responsible people in this House and the members demonstrate, in the coming year and in regard to our debates, the realistic approach which the public is so eagerly awaiting. May 1972 bring upon us the objectivity and sincerity that are so much desired so that our laws take into account reality as well as difficulties and that they may continually improve the present situation of agriculture.

I will restrict myself to those few comments, in repeating that I support this bill and I would rather see the government introduce a bill than limit myself to expressing criticism without offering a better alternative.

As far as the arguments which were put forward are concerned, I said that some of them were good. The government has accepted a number of them. I am not convinced that a better solution than the government's has been submitted by other parties. In those circumstances, I prefer to support a bill which attempts to bring about better conditions and allow farmers to regroup and receive through those agencies more adequate incomes and thus providing some hope for the future of farming in this country.

[*English*]

Mr. John Burton (Regina East): Mr. Speaker, I was very interested in the exchange that took place a few minutes ago between the hon. member for Bruce (Mr. Whicher) and the hon. member for Kent-Essex (Mr. Danforth) with regard to the stand of the farm organizations in respect of this bill and some of the changes which they proposed. I took note of the comment of the hon. member for Bruce to the effect that in fact the government had adopted the changes requested by the farm organizations. I would have to go along with him to some degree because I think it must be acknowledged that some of the changes requested by the farm organizations have been adopted. However, I should like to draw to his attention that there is before us at this very moment a motion to refer the bill back to the Standing Committee on Agriculture for the purpose of making a change which was requested by a major farm organization and which was not included in the amended bill.

I refer to the motion moved by my colleague the hon. member for Timiskaming (Mr. Peters) to refer the bill back to the committee so that a change could be made in order to give farm organizations and farmers a voice in setting prices that would give them some bargaining power in dealing with the board and marketing agencies which might be established under the bill. This change, however, was not adopted by the government. I would commend to hon. members that we give favourable consideration to this amendment because I think it constitutes a very important feature of this legislation. I believe its importance should not for a moment be underrated. It is for this reason I wanted to take part in the debate.

I certainly favour the amendment proposed by my colleague. It seems to me common sense that we should make adequate provision for the voice of the farmers, not only in the establishment of a plan for marketing agencies or in giving farmers a voice in terms of one or more members on a board, agency or directorate but also in giving them some say in the day-to-day operations of the plan—because it is not in the structure of the plan that we run into hang-ups and problems, but in connection with the operations the agency carries on from day to day, week to week and month to month. Farmers must have more say in respect of agencies which have a critical and important effect on their livelihood and well-being.

For this reason I would hope the House, even at this late hour, would agree to make this change because I feel it would be in the best interest of agriculture. I feel it would be in the best interest of the successful operation of this bill when enacted into law. Therefore, I hope the hon. member for Bruce (Mr. Whicher) and other members of the House will give it favourable consideration. When we take a look at this matter, I think we must take into account the history of marketing boards. I think it is known that members of the New Democratic Party and members of the CCF which succeeded the New Democratic Party long argued for the principle of marketing and marketing boards in order to deal with agricultural products and the many problems that arise in connection therewith. This idea emerged during a stage of Canada's history when farming was for the most part conducted on an independent basis and when our farmers could be said to be the only group in our society which operated with a classical free enterprise voice.

That was a classical case and the only such case in our history for a long period of time. In fact, they represented a true definition of what constituted an independent entrepreneur operation on a private basis. In other words, one operator or even a combination of operators could not significantly by themselves influence the structure of the market and the operations of the market. Within the framework of this situation, why were marketing boards proposed? Why was the marketing board idea brought forward? I suggest there were three basic reasons for this. One was in order to give the farmer and the agricultural industry as such some bargaining power in the marketplace, and to give them some marketing power in relation to their relations with the balance of the economy.

Second, it was for the purpose of introducing a greater measure of stability in the agricultural industry in order to iron out some of the severe fluctuations which had a detrimental effect on the industry. Third, it would have the effect of introducing a greater measure of internal equity within the industry so there would be fair and equal treatment for all farmers who were dealing with one product, or group of products, and there would not be a continuation of the situation where one farmer would get a break and another farmer, often for reasons completely beyond his control, had to take a poor market situation because he had no other choice.

Down through all the years when this need was pretty obvious to many people and when farm organizations were asking for the adoption of this idea, what was the Liberal party doing? We found that by and large it was rejecting the idea. Some members put the idea forward, I suppose sincerely, but for the most part the members of the Liberal party rejected the principle of orderly marketing and marketing boards during the years when it could have been of great value to the farmers of the country.

During the time when they could have done something through this particular method of handling affairs, changes were taking place within the industry. We saw the

introduction of vertical integration; we saw the integrators move into the picture. This began to play a significant role in many areas of agricultural production. The processors came on the scene and began to take part in the picture. They began to make arrangements with others to get into production and to make market arrangements. Along with them we had the agribusiness getting into the processing business in a large way. During these years fundamental changes have taken place in the agricultural industry, and the passage of this bill will not stop that process.

• (2:30 a.m.)

Now we find that the Liberal party has made an eleventh-hour conversion, or possibly a five-minutes-to-twelve p.m. conversion. I noted with interest the remarks of the hon. member for Bruce and I commend him for his sincerity and frankness in owing up to some of the past sins of omission and commission of the Liberal party in not having taken action in this field before now. I commend him for his frankness and for placing his cards on the table in that regard. But then he said to the House, "Look at what the Liberal party is doing now. Even the Prime Minister is here tonight".

It is very nice to see the Prime Minister (Mr. Trudeau) here tonight. It is quite a change when the Prime Minister comes to the House in the dying hours of the debate to see what is going on. He might learn something. Possibly he might avoid some of the mistakes and comments he has made with respect to agriculture. Maybe he will not make any more such statements as, "Why should we sell wheat for the farmers?" I hope he learns something about agricultural affairs by being present in the House tonight. I do not think the Prime Minister has been conspicuous by his attendance at any time during this debate.

I am proud of the record of the Leader of the NDP (Mr. Lewis) on agricultural affairs. He has spoken on this subject on many occasions in the House, and I am prepared to place his record alongside that of the Prime Minister at any time.

Some hon. Members: Oh, oh!

Mr. Perrault: How are things in the Mediterranean?

Mr. Burton: He has said more to help solve agricultural problems than any member across the floor tonight. I also note that the Progressive Conservative party has found itself in serious difficulty over this bill. They seem to be hung-up on a number of features of the bill. I suppose one might say that their big beef is that they want to take cattle out of the bill. Some of their members wanted to see the bill scrapped altogether and others were reluctantly going along with it.

In dealing with the bill and the amendment before us I think we have to take into account the situation that we are facing in the agricultural industry and in the rural communities of Canada where real fears exist with respect to this legislation. Why are there such fears? I suggest it is because there is a fear on the part of independent farmers, who have been able to survive, that this legislation will help the integrators and the agribusiness more than it will help the small, independent farmer. It will leave the independent farmer out in the cold.

I am not passing judgment as to whether those fears are are entirely well-founded. I think there is justification for the fears and I think only experience will prove the validity of some of the claims been made in this regard. I think we must recognize that there is this problem with respect to the reaction of the farm community in this respect.

I suggest that some of the concerns that exist apply particularly to the concept of supply management which has been discussed already this evening. As I indicated during an earlier stage of the debate on this bill, most of us in the House will agree that so far as the principle of supply management is concerned, it is certainly acceptable. It is possible that the acceptance of that principle can be of benefit to farmers and to the agricultural industry. It is consistent with the principle of orderly marketing and with the idea of establishing marketing boards.

But we have to do more than that. We have to do more than simply go along with principles. We have to devise a plan and an approach that will work. That is where the difficulty arises. We have to devise a plan that will help farmers. We have to make sure that to the extent that supply management is used it will be based on wider objectives than those of simply restricting production or relating it to immediate market demand. This idea must be developed within the framework of a total look at rural society, if it is to serve a useful purpose. We must look at the whole picture, at the well-being of farmers and their total situation.

One of the reasons for the fears of the rural community with respect to supply management, however commendable the principle might be, has been the experience of farmers in some parts of Canada with limited application of the concept of supply management over the past couple of years. I make particular reference to two programs as they affected my own province of Saskatchewan. First of all, I refer to Operation Lift, the infamous program where large amounts of public money were spent in a way which, I suggest, had only a minimal effect on the stated objective of reducing wheat production. I suggest that the effect of the stated objectives when the plan was announced was minimal. In effect, the use of the funds was such that they did not go to farmers who most needed them. I suggest, as well, that it was directly in conflict with the principles of the Canadian Wheat Board Act. This plan made use of the quota system to force farmers to go along with the plan which has been devised by the federal government. Farmers are very leery of what else may be in store for them as a result of their experience with Operation Lift.

I might also refer to the operations of the Dairy Commission. Here I will restrict my comments to the effect on the province of Saskatchewan where the major area of concern has to do with the effect of the program on cream production. In contrast with some other parts of Canada, a significant portion of the dairy production in Saskatchewan has always been concentrated on the production of cream for shipment to creameries and other such plants. In 1967, prior to the introduction of the Dairy Commission plan, there were some 23,000 cream shippers and producers in the province of Saskatchewan. At that time all of them were theoretically eligible for a quota subsidy.

Through the plan that was developed by the Canadian Dairy Commission, many of these farmers found that

they were simply shut off from any possibility of ever being able to take advantage of the subsidies offered by the Canadian Dairy Commission. Thus, the number of cream producers was cut down sharply at a time when there was already a severe reduction of farm income in Saskatchewan. In fact, the Saskatchewan Department of Agriculture reports today that, rather than there being 23,000 cream producers in the province there are only 15,000, and of those 7,500 are eligible for any form of subsidy as a result of the particular plan brought in by the Canadian Dairy Commission.

• (2:40 a.m.)

At the same time, we had a recent announcement by the Minister of Agriculture that he was going to back up payments to March 31, 1970. If I can use an agricultural term at this late hour, this is like closing the barn door after the horse is stolen. This will not improve the situation for dairy producers and cream shippers in Saskatchewan. Their experience with the dairy subsidy will make them very leery of what is in store for them in the future under the supply management proposals in this bill. These are some of the fears that exist. Farmers hope that this situation will not occur. I would ask hon. members to consider this seriously.

If the marketing boards established once this bill is passed are to succeed, the farmers must have some say in the determination of marketing plans and in the operation of the boards. There must be some degree of farm bargaining power. Farmers must have a voice, not only in the plans but in the day-to-day operations of the agencies and boards. For this reason the bill must be changed so that workable plans can be produced that will have some chance of success.

For these reasons I commend the amendment moved by my colleague, the hon. member for Timiskaming. There is one further point with which I would like to deal, and it is in reference to a comment made by the hon. member for Bruce. He said these marketing boards were being set up so that farmers could run their own affairs and could do things for themselves in terms of an organized plan. This is a very commendable idea, but I suggest it comes too late in the game to have any hope of success.

If marketing plans, boards or agencies are introduced as a result of this legislation, they will require a significant and adequate degree of public support in the marketplace if they are to benefit farmers. This was one of the issues under debate on the grain stabilization bill. It was an important question, acknowledged by the minister in charge of the Wheat Board. Incidentally, Mr. Speaker, I did not see that minister here during the debate. He admitted that one of the important questions concerned the amount of money that the federal government was going to put into the plan and would be available for the grains industry.

Mr. Francis: On a point of order, Mr. Speaker, have not the hon. member's 20 minutes expired?

Mr. Deputy Speaker: The hon. member's time has just expired. The Chair was about to point out this fact.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I believe this is a bad bill, and when passed—as I presume it will be this morning—it will represent a major step toward the complete socialization of the agricultural industry. To my hon. friends in the NDP I wish to say that in so far as they are socialists they are merely pikers compared with the government. There is a further difference. The NDP members have their theories but they will never have the responsibility for enforcing them. Members on the government benches just do not know any better, Mr. Speaker.

I predict that after this bill is passed many government members will regret their support of it, particularly members who represent agricultural ridings, just as they now regret their support of the official languages bill that was passed in this House a couple of years ago. I understand that there are several members from the city of Ottawa who now repent that they supported it. I predict the same thing will happen to members opposite who represent agricultural areas.

Further, Mr. Speaker, just like the official languages bill, I suggest that this bill is unconstitutional. It is contrary to the provisions of section 121 of the BNA Act. In this respect I agree with the statements made tonight by the hon. member for St. John's East (Mr. McGrath). I would like to substantiate further our contention that it is contrary to the provisions of section 121 of the BNA Act by quoting two or three statements made in this debate by our House leader, the hon. member for Peace River (Mr. Baldwin), when he said:

> I would point out that the decision of the Supreme Court of Canada was very welcome in this House and in all parts of Canada. It immediately had some effect in bringing to an end increasing economic divisions between different parts of Canada and the kind of Balkanization which is bound to be dangerous to the survival of our federal structure.
>
> But there is far more than this involved in this particular bill. The case in the Supreme Court of Canada in respect of the Manitoba reference was decided on the simple ground that no provincial legislature has any right to legislate with regard to matters which constitute the regulation of trade and commerce- ... That has now been established beyond any question of doubt. But we must go beyond that and deal with the danger this legislation in its present form presents.
>
> How did the people who wrote our constitution attempt to ensure that there would be this freedom of movement within Canada? They did so through section 121 of the British North America Act. Just to refresh our memories I shall read this very short section. It states:
>
> "All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the Union, be admitted free into each of the other provinces."

This may not mean very much to government members because this is not the first time that they have forced unconstitutional legislation through this Parliament. I recommend to my constituents, particularly livestock dealers, that if they run into trouble with this bill they should take their case to the Supreme Court of Canada. I only hope they do not have the same trouble that a former very high member of the bench is having in trying to take his case on the official languages bill to the Supreme Court because of the obstruction of the government. The hon. member for Peace River went on to say:

> —by the Supreme Court of Canada in 1958, it was suggested by the judges of the court that section 121 of the British North America Act applies not only to prevent provinces but also the federal government from dealing with the free flow of goods and property from one part of the country to another.

That is exactly what is being delegated to a council if this bill is passed. We now know that the Canadian public is asking, why was it necessary to have this unusual sitting of Parliament between Christmas and the new year to debate this issue? This is an unusual sitting of the House of Commons. In the history of our Parliament since confederation I do not know if this has ever happened before. Why is it necessary? I think maybe this time we should let the cat completely out of the bag and give the reason.

• (2.50 a.m.)

Mr. Mahoney: Where is your leader?

Mr. McIntosh: Mr. Speaker, the real reason was revealed in the remarks of the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) when he spoke on this bill on Tuesday, December 28, as reported at page 10799 of *Hansard,* and in remarks of the hon. member for Peterborough (Mr. Faulkner), whom I do not see here tonight, when he spoke yesterday as reported at pages 10837 and 10839 of *Hansard.*

When the hon. member for Meadow Lake (Mr. Cadieu) was speaking on Tuesday, he said:

> We are not opposed to Quebec's introducing marketing legislation. They can bring that in; we are not opposing it. We feel they have a right to vote for it, if that is what they want. However, we do not want, and the producers out west do not want, them to tell us that we must accept this bill.

This is referring to Bill C-176. At those remarks the hon. member for Lanark-Renfrew-Carleton rose and said:

> On a point of order, Mr. Speaker, the hon. member has implied that this bill is for the benefit of Quebec only and is against the interests of the west. That is categorically untrue.

The hon. member for Meadow Lake never implied that, but that is why we are sitting here today. The member for Lanark-Renfrew-Carleton let the cat out of the bag, as did the hon. member for Peterborough at page 10837 of *Hansard* when he said, in part:

> —and then the hon. member for Meadow Lake (Mr. Cadieu) claimed that the Quebec farmers were attempting to foist it on the western farmers.

He made no such claim, Mr. Speaker.

Mr. Mahoney: Read a little more.

Mr. McIntosh: I will tell you a little more in a few moments. At page 10839 he said:

> —somehow this bill was being foisted on western farmers by Quebec farmers.

Further on he said:

> It has nothing to do with Quebec farmers foisting something on us.

Mr. Speaker, that is why we are sitting here today. In a few moments I wish to document some facts to support my contention. We now know the source and the reason for the pressure put on the minister to pass Bill C-176 at this time without the exclusion of cattle and calves which the minister himself promised to livestock men. When the Prime Minister (Mr. Trudeau) was elected as leader of the Liberal party, and subsequently as the Prime Minister of Canada, there was much rejoicing in certain parts of the country. The statement was made time and time again that he would put Quebec in its place. Little did the people realize at that time, Mr. Speaker, that the Prime Minister meant "first place"—and that is precisely what he is doing.

Statements have been made by members of the government during the last couple of days that must not go unchallenged. They sounded very familiar after hearing the Minister of Agriculture (Mr. Olson) when he first introduced this measure under the title of Bill C-197. He said many times that members of the opposition were not telling the truth about the bill, and that there was no sustained opposition to it. Similar remarks were made by the hon. member for Richelieu (Mr. Côté) as reported at page 10801 of *Hansard.* These remarks must not go unchallenged either. He said:

> It is not an eastern or a western bill because it affects the whole range of farm products and I would not like my hon. colleagues, be they of the opposition or otherwise, to try to exclude a particular product alleging that the farmer does not want it. It is not true.

I have in my files, Mr. Speaker, a petition of 14 pages of names sent to the Prime Minister and to the Minister of Agriculture protesting the implications of Bill C-176. I am sure that every member of this House knows the number of coupons the Prime Minister and the Minister of Agriculture received protesting this bill. I think the record should be put straight. The minister is aware that with very few exceptions the cattle and calf people are not in favour of the bill.

The real motive behind the introduction of Bill C-176 is to further appease the demands of the province of Quebec who have been allowed to opt out of other measures which apply to the rest of Canada—the Canada Pension Plan, the medicare plan and, I understand, the UIC bill which the minister is going to put before the House. Apparently they consider that their nurses, school teachers, and so on, are civil servants.

Mr. Mackasey: No.

Mr. McIntosh: Wait till the bill passes.

Mr. Mackasey: The bill has passed.

Mr. McIntosh: It does not make any difference, Mr. Speaker, because the same thing has been admitted by the Minister of Regional Economic Expansion (Mr. Marchand) with regard to grants given to that province—40 per cent of all grants given by this government go to the province of Quebec.

An hon. Member: You are prejudiced.

Mr. McIntosh: I may be prejudiced, but these are the facts. One must assume that an election is in the offing and that the government intends to use all its efforts to pass the marketing bill as one of the issues in its election campaign in Quebec in an attempt to hold the seats it now has in that province. Many Canadians are asking why, if the province of Quebec is so insistent that cattle and calves be included in the bill when the province produces only 15 per cent of their own requirements. The answer to that question is spelled out by the Minister of Agriculture for Quebec, who said:

> Quebec would be interested in the bill only if it included all products.

The exclusion of cattle and veal would take away from Quebec one of Quebec's main negotiating tools in the eventual distribution of product quotas, because Quebec is in a shortage position in this particular area

Quebec cannot give such marketing agencies any authority unless there is control of production.

Time and time again I have heard the minister say there is no control of production in this bill. Everybody knows it except the minister. The Minister of Agriculture for Quebec also said:

If you are going to sell in Quebec, then you will produce—or offer for sale—according to Quebec's dictates.

Quebec's main negotiating tool is the distribution of production quotas.

• (3:00 a.m.)

On the other side of the coin we can ask this question, Why do those engaged in the cattle industry want to be excluded from the provisions of this bill. I am sure that many members on the other side of the House do not know why the cattlemen want to be excluded from the bill. They do not know how great a percentage the cattlemen and calf breeders are of our agricultural industry. Traditionally, cattlemen have opposed the philosophy and principle of controlled marketing and production quotas. Ever since they have been organized they have opposed that principle.

Many people are not aware that the cattle industry represents almost a quarter of the total farm production of Canada. It is the single, most important facet of Canadian agriculture. The beef producing industry is, by a substantial margin, the largest single segment of the Canadian agricultural economy and surpasses both the wheat and dairy product parts of that economy. The Canadian beef industry is completely free of special subsidies, and in the present troubled agricultural economy suffers fewer problems than most other sectors of the industry.

In view of the successful record of the cattle industry, one questions the motives of this government in attempting to control this industry. Those are the two sides of the coin. This bill is before the House now because of the dictates of the government of Quebec which have influenced our Minister of Agriculture. That minister is trying to impose this bill on a segment of agriculture that has never needed it and does not want it. I say that this will be a major step towards socializing the whole industry. Accordingly, I move, seconded by the hon. member for Battle River (Mr. Downey):

That Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, be not now read a third time but be referred back to the Standing Committee on Agriculture with an instruction to amend paragraph (c) of clause 2 of the said bill by adding thereto, immediately following the word 'product' at the end thereof, the words 'but, for the purpose of any of the provisions of this act, shall not include cattle or calves;'

Mr. Mahoney: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please. I say with respect to the hon. member for Swift Current-Maple Creek (Mr. McIntosh) that there is now an amendment before the House, and unless hon. members can convince the Chair that we should receive another amendment I feel that we cannot receive this amendment. I recognize the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney).

Mr. Mahoney: Mr. Speaker, my objection is probably superfluous now. I was wondering if it would not be desirable for the hon. member seconding the motion to be in the House when the motion is proposed.

Mr. Forrestall: Come off it.

Mr. Deputy Speaker: As I indicated, there is an amendment before the House in the name of the hon. member for Timiskaming (Mr. Peters). It is seconded by the hon. member for Skeena (Mr. Howard). The House is considering that amendment, and until it is disposed of I suggest we cannot deal with another amendment.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I say as emphatically as I can that I cannot support the bill and will vote against it on third reading. The hon. member for Kent-Essex (Mr. Danforth) cited a number of reasons why I and other members of my party cannot support the bill. I concur wholeheartedly with his remarks and do not intend to repeat what many have said this evening.

I want to elaborate on one or two points dealing with the bill to which I took particular exception. I object particularly to a point, consistently made throughout this debate, to the effect that the bill will help stimulate small farm enterprises. That was just a lot of garble from the other side of the House. Hon. members opposite tried to leave the impression that this bill will be the salvation of the small family farm.

I am disappointed because hon. members opposite failed to accept one or two amendments that we proposed this evening. One amendment, if accepted, would make sure that the council would be dedicated to the preservation and enhancement of the economic and social viability of the family farm and the farm community. To the extent that this government has supposedly focused its efforts on helping the small family farm unit, one would think that hon. members opposite would welcome our amendment. For if this bill represents indeed their new approach and outlook on the subject of farm policy, the amendment would certainly be consistent with their over-all approach.

There has been developing for the past few years a situation which in my opinion is most undesirable. A trend is developing in this country which is resulting in the depopulation of rural areas. This affects not only those who are engaged in farming but also, and equally, the rural farm communities which depend largely on surrounding areas for support. Many say that present developments are inevitable, that they are the product of our times and life-style and are a form of progress. To my mind, this development represents a retrograde step in the development of Canadian society and a retrograde step in the development of the kind of life that Canadians want, be they in urban or rural Canada.

I say that, firstly, because many in this country still are desirous of maintaining and sustaining a healthy and viable life in a rural community. They want to live in a rural community. However, many programs and policies which have been developed have deprived many people of that privilege. We are still experiencing a mass exodus of people from the country to the city. This is adding to the

difficulties of our cities, difficulties involving overcrowding, pollution and unemployment. More important, though, these people are being forced into a life-style they are not prepared to accept. The result is a degree of frustration and anger of unparallelled proportion. We know that because many farmers find it difficult to make a living on the farm, they are apprehensive. Indeed, many face the prospect of foreclosure by mortgage companies and farm credit corporations. In his press release concerning the small farms development program, of December 6, 1971, the Minister of Agriculture (Mr. Olson) said in part:

Economic studies and practical experience suggest that the family farm is the best type of farm, and it is in this context that we have developed a comprehensive program to help the small farmers of Canada to develop profitable family farms—

If that is a pledge and a reaffirmation of the idea that we must develop strong family farm units, then certainly I submit that we should include in this bill a categorical declaration that we are dedicated to that idea and that the council should be dedicated to reaching that objective.

• (3:10 a.m.)

I do not believe this bill will assist small farm units very much. Presumably this is why hon. members oppposite decided to reject the amendment which was proposed, an amendment which would have made a simple addition to the duties and powers of the council, whereby the council would advise the minister on all matters to the end that the economic and social viability of farm communities in Canada should be enhanced and improved. But nothing has been done to direct attention toward the need to preserve the rural environment and economy.

This was the situation in which I proposed an amendment designed to obtain this objective. If adopted, it would have had the effect of rounding out the bill and would have given formal expression to the concept of preserving and enhancing the rural life-style. The bill before us will not assist in the development of viable family farm enterprises. I believe it is designed to help the big operator. The small operator will be vulnerable to the integrator and the corporate structure. I believe the bill will produce a locked-in effect: those with vested interests will find their interests preserved. It will increase capital requirements.

I note the following in the Canadian Imperial Bank of Commerce newsletter for November-December, 1971. In 1969, capital investment in Canadian farming amounted to some $23 billion. By 1980, total investment in the industry is expected to amount to $55 billion. Much of this increase arises out of new capital considerations to which attention must be paid by those wishing to engage in farming. I quote as follows from the bank newsletter:

This situation is the result of the growing trend toward the introduction of production quotas in agriculture as a means of allocating the right to supply a portion of the market. In some cases the quota right is tied directly to the farm assets themselves and its work is reflected in the value of such assets. In other instances the quota had a separate value in itself and may be traded independently of farm assets.

The right to produce milk for human consumption in Ontario provides an example of the latter and necessitates the possession of a group one pool quota which trades at about $21 per pound at the present time in southern Ontario. Hence, except under certain conditions and with certain limitations whereby existing industrial milk and cream producers can obtain the quota without payment, the purchase or establishment of a dairy farm capable of supplying a daily quota of 1,000 pounds of milk would involve an additional investment of $21,000 over and above the cost of land, buildings, equipment and livestock.

The bill before us will encourage the type of development to which I have just referred. Capital outlays will be increased as we improve our technology and production methods, in addition to the added burden of quota costs. This, too, will increase costs but along with this there is a corresponding increase in productivity. I believe this bill will make it more difficult for new people to become established because of the amount of money involved. Ability or desire will not be a factor but, rather, it will depend on the amount of money they are able to put into the business.

Supporters of the government tell us they are doing all this for the sake of orderly marketing. But what better example of orderly marketing could one single out than the marketing of beef and beef products? This is simply because the beef market has been free of government intervention, free of restriction or impediment. It has been established in the free marketplace. Cattlemen want to keep it that way. This is why they want no part of the bill we are considering.

The government says it is dedicated to preserving the family farm, but I am sure the bill is patterned on the basis of the same philosophy as that which led to the abolition of the unit quota system in relation to the delivery of grain in western Canada. This system was the salvation of the small farmer but it has been abolished by a government which acts greatly to the detriment of the viability of the small farm. This bill reflects the same philosophy as that which led to the destruction of the small creameries as a result of the discriminatory actions of the Dairy Commission. Its inspiration is similar to that behind Operation Lift in which less than 50 per cent of the farmers, and in particular the small farmers in Alberta, were not able to participate, or the small farm adjustment program now renamed the small farm development program, though the contents of the program are basically the same—it is a program of consolidation and adjustment designed to do away with the small farm operator.

Farm operators will be burdened with yet another cost under the terms of this bill since the agencies will have power to impose levies. This will only increase further the cost of production, though we know that farm income has declined drastically over the last three years and this trend will continue if we accept the forecasts emanating from the Outlook Conference held in Ottawa some time ago.

Government policy as manifested in the programs I have mentioned has added to the deterioration of our rural areas and of our rural life-style. This has resulted in many of our small communities dying and rural communities becoming ghost towns. If the government is determined to reverse this trend it should put some teeth into legislation such as we have before us. This would reaffirm that it was serious in its expressions of concern about the need to preserve, develop and enhance the small family farm and rural communities generally. There should not be one piece of legislation designed for agriculture which did not include this principle.

There are other amendments which I feel should have been accepted, for example, amendment No. 23 proposed by the hon. member for Crowfoot which, again, affirms the principle to which I have referred, namely, that the efforts of the council should be designed to pay due regard to promoting the greatest opportunity for the largest number of producers to acquire a standard of living comparable with organized segments of society.

• (3:20 a.m.)

A government which claims to be committed to assisting the small family farm unit, if it were dedicated and seriously committed to that objective would have no objection to accepting an amendment of that nature or the amendment proposed by the hon. member for Mackenzie (Mr. Korchinski), which reads:

—to submit to the minister, at the commencement of each production year, a list of prices which shall be paid for a regulated product for that year, such prices to be compensatory for the cost of production of such product;

If this bill is indeed going to help the small farmer and assist the producer, what is wrong with accepting an amendment of that nature? There are many others. There are amendments such as those which would provide adequate provisions for appeal. We have asked for safeguards in many clauses. These have been refused. As far as I am concerned, there is far too much discretion left to the minister.

Some hon. Members: Hear, hear!

Mr. Mazankowski: There were many shortcomings in this bill when it was introduced. There are still many shortcomings as it stands this evening. Many of the refinements that have been incorporated into the bill were a result of pressure by the opposition. I agree with the hon. member for Bruce (Mr. Whicher) who stated that the opposition party did a fantastic job in trying to patch up a piece of legislation that was ill-conceived and ill-advised.

The bill was presented in a distorted way. It was to have been a producers' bill. In the first instance it turned out to be a bureaucrats' bill. We attempted to change that. In the original instance the producer was not even mentioned in the bill. The producer was only mentioned in the clause dealing with penalties. This was to be a perfect bill, brought in after much consultation and penetrative study. Yet we have had to incorporate something like 30 or 35 amendments. Instead of being a perfect bill, we received a bill that set out to make agriculture nothing more than a public utility based on the philosophy of a cheap food policy. This was to have been enabling legislation, yet the submissions of the United Grain Growers, the Cattlemen's Association and the Palliser Wheat Growers Association called it a monolithic monster. They did not agree this was enabling legislation.

The Saskatchewan Hog Producers Association said that by their interpretation this is not permissive legislation. It invests unlimited powers in an act which may or may not represent the producers. On that basis they said they must voice opposition to the bill. The cattlemen said this bill represents a very severe erosion of the rights of producers to control their own destiny within the larger laws of society of Canada. The Cattlemen's Association is an independent group. They said it is their right to shape the future of their own destiny. The Palliser Wheat Growers Association said that the bill was completely devoid of reality and totally unnecessary in the prairie region where exports are an absolute necessity—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. McGrath: Mr. Speaker, I rise on a point of order. Those of us who were interested just heard an excellent speech by the hon. member for Vegreville (Mr. Mazankowski). What he had to say was very important with regard to the bill before the House. Because of the importance of the debate on this bill I ask Your Honour, with great respect, to implement the provisions of Standing Order 12(3) and ask members opposite to please maintain a little decorum.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The hon. member for Fraser Valley East (Mr. Pringle).

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, I promise hon. members I will be very brief. I wish to make two very important observations. First, marketing boards—not those that may be formed in the future but existing boards in Saskatchewan and Alberta and, in fact, marketing boards representing growers in the constituency of Vegreville—for some reason or another have telephoned me. I do not know why they do not have confidence in their own member. I was telephoned today and asked for assurance that this bill would be passed shortly because they will be having a meeting in Winnipeg in the very near future. As a matter of fact—

Mr. Deputy Speaker: Order, please. The hon. member for St. John's East (Mr. McGrath) is rising on a point of order.

Mr. McGrath: With the greatest respect, Mr. Speaker, I want to hear the speech of the hon. member for Fraser Valley East (Mr. Pringle). I ask Your Honour to enforce the provisions of Standing Order 12(3) and ask members opposite to pay respectful attention at least to one of their own members.

Mr. Deputy Speaker: Order, please. This is the second time the hon. member for St. John's East (Mr. McGrath) has raised this point of order. The Chair has considerable sympathy for the hon. member. I do not want to be critical of members on either side of the House, but hon. members who want to make a contribution to the debate deserve the courtesy of a hearing.

Mr. Pringle: Thank you, Mr. Speaker. I make this point because the very people I am talking about are small family farmers who are represented by successful, existing marketing boards operationg with head offices in Regina and Edmonton. They require Bill C-176 on an emergency basis so that they will be able to join with other marketing boards across the nation and arrange a co-ordinating program which they have ready and with which they want to proceed. Apparently the members from Saskatchewan and the member for Alberta are not interested in working with their own people and their own marketing board.

These farmers presently operate under provincial legislation. They have been successful in maintaining family farms and have effectively stopped the proliferation of vertical integration in both provinces. I ask the hon. member for Swift Current-Maple Creek (Mr. McIntosh) whether he really knows there is a group of integrated medical doctors in Saskatchewan. Does he know anything about these people who are presently endeavouring to take over the turkey industry to the detriment of family farms? If these people had not been bailed out of a particular program they would be creating a problem now. I would suggest that the hon. members opposite should talk to the small farmers in Saskatchewan who require this.

• (3:30 a.m.)

I would suggest to the hon. member for Vegreville (Mr. Mazankowski) that he should speak to the people in his area who have been operating for many years successful marketing boards and who are asking for a co-ordinated operation such as would become effective through Bill C-176.

I said I would be brief, Mr. Speaker, but I want to say one more thing. The hon. member quoted a letter from the Canadian Imperial Bank of Commerce. Let me tell this hon. gentleman that I operated in the city of Edmonton for a number of years and I can recall, before there were marketing boards, a time when the very farmers I am talking about could not even go into a bank. Now they can go into the Canadian Bank of Commerce to borrow money because of the viability of the industry created by the operation of the provincial marketing boards. So I say that if these members from Saskatchewan and Alberta have really any concern for the small family farm, for heaven's sake they should learn a little about what is going on. If they would do that, they would realize that what they say is nothing more than hogwash. This is not inclusive legislation; it is exclusive legislation. The cattlemen will have to fight to come under the provisions of the bill if they want to do so. However, for the benefit of the people who want to operate in that way, I say the sooner this bill passes the better, because these people would tell these members opposite a few things about the benefits of marketing boards for the agricultural producers of Canada.

Mr. Danson: Mr. Speaker, would the hon. member permit a question?

Some hon. Members: No.

Mr. Deputy Speaker: Order, please. The Parliamentary Secretary to the Prime Minister (Mr. Danson).

Mr. Danson: Mr. Speaker, I should like to ask the hon. member for Fraser Valley East (Mr. Pringle) if he is trying to indicate that the turkey producers are being goosed.

Mr. Pringle: All I can say is that the last time I was in Edmonton there was on the streetcar a goose who is a person.

Mr. Deputy Speaker: The hon. member for Crowfoot (Mr. Horner).

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

[Mr. Pringle.]

Mr. Deputy Speaker: Order, please. The Chair has recognized the hon. member for Crowfoot.

An hon. Member: Mr. Speaker, there is a stranger in the press gallery.

An hon. Member: There is a stranger in the House.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I readily admit I have not been in the House of Commons for the past couple of hours. I have been resting and therefore perhaps do not appreciate all the noise previous speakers have engendered. I might just say that the interchange between the Parliamentary Secretary to the Prime Minister (Mr. Danson) and the hon. member for Fraser Valley East (Mr. Pringle) which I have just witnessed convinces me that very few members of this House of Commons really know what a turkey saddle involves.

An hon. Member: Your leader does not know.

Mr. Horner: But the—

Some hon. Members: Oh, oh!

An hon. Member: Let him speak.

Mr. Forrestall: Joe, if you have something to say, come in here and say it and do not stand out there like an idiot.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for St. Boniface (Mr. Guay) on a question of privilege.

Mr. Guay (St. Boniface): Mr. Speaker, on a point of privilege I should like to bring to your attention the fact that there is no one in the front bench of the loyal opposition.

Some hon. Members: Hear, hear!

An hon. Member: They do not have any front bench.

An hon. Member: Move up, Jack.

The Acting Speaker (Mr. Laniel): Order, please. I think hon. members should give more co-operation to the Chair and should be fair enough to let the hon. member for Crowfoot make his speech.

Mr. Horner: Mr. Speaker, I feel like somebody who has arrived late at a New Year's party and realizes that no matter what he says or does, he cannot catch up with the others in what they are involved in doing.

Some hon. Members: Hear, hear!

Mr. Horner: What I was referring to with regard to the turkey saddle exchange was merely an expression quite well used in the turkey industry which very few people realize. I used that expression only to exemplify beyond a shadow of doubt that few Members of Parliament from the very beginning of the famous Bill C-176 knew anything about it and here, at the climax and end of the debate, one can still use the same expression. And well do I know the member for Fraser Valley East knows what I mean. I can still use that same expression and very few members know what it means.

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

Mr. Horner: When I am through speaking, Mr. Speaker. I have only 20 minutes. The hon. member for Fraser Valley East has on many occasions deferred my questions until he was through, and I extend to him the same courtesy which he has extended to me on those occasions. I only wish to show to you, Mr. Speaker, and members of the House, the difficulty of Members of Parliament from time to time in attempting to point out the many serious implications of this bill on the producer, on life, on the provinces and on unity in this country of ours. The hon. member for Crowfoot has been—

An hon. Member: Who is he.

Mr. Horner: —often acclaimed, often discredited and often mocked. His motives have often been misinterpreted as those of a man who was self-motivated and has been working for a few of his cronies. I have gone through all my files in search of something that could perhaps explain what motivated the hon. member for Crowfoot to launch a bitter fight against this bill.

• (3:40 a.m.)

Some hon. Members: Oh, oh!

Mr. Horner: If the House wishes to outshout me, let me tell hon. members that I am known in the Crowfoot constituency as a moderate man, not prepared to outshout anybody and always prepared to listen. At this time I would like to read into the record a poem.

Some hon. Members: Oh, oh!

Mr. McBride: Not at this hour.

Mr. Horner: I know the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) has little patience. Nevertheless, I would like to read this poem into the record. Perhaps it might explain to hon. members what motivates the member for Crowfoot and in his desire to serve his constituency and Canada. The poem is entitled, "When Stockmen Congregate" and it reads:

The stockmen held a meeting
To discuss the pro's and Con's
Of all the bovine species
From buffaloes to fawns
They dealt with Brucellosis
And Blackleg met its fate
Most anything can heppen
When the cow-men congregate.
They came with spurs a-jingling
And big ten gallon hats
From hills and plains and valleys,
From river brakes and flats
They felt all but forgotten
By the boys who Legislate
And the air got rather humid
When the cow-men congregate.
With freight rate soaring upward
And machinery on the ike
One industry gets settled and
Up comes another strike
With all this vicious circle
They wonder at their fate
You hear some rangeland parlance
When the cow-men congregate.
In the halls of Legislation,
Where the laws of man are made
We need a few old cow-hands
Courageous, unafraid
Who rear up on their haunches
In caucus or debate
And tell the world their troubles
When the M.P.'s congregate.

That poem was written in 1953.

An hon. Member: By whom?

Mr. Horner: By none other than a person by the name of "Ferg" James, of Hanna, Alberta. If anybody wants a copy of it, I suggest that they subscribe to *Hansard* tomorrow. There are a few other things that I want to put on the record tonight.

An hon. Member: Not another poem.

Mr. Horner: Many people have suggested, and some newspapers have proclaimed, that this is a great victory for the government, that they have all they wanted. It is a long time since Bill C-197 was introduced to the House of Commons. Not too many people have read it recently, and in fact before C-197 went out of existence the Queen's Printer stopped printing it and the Minister of Agriculture stopped producing it. We could not get it.

Mr. Mazankowski: Because they were so ashamed of it.

Mr. Horner: Now I would like to speak of the real changes that were made in the agricultural committee. Reference was made to the two years of sittings of the committee.

Mr. McBride: Why don't you rhyme, Jack?

Mr. Paproski: Where is your minister?

Mr. McBride: We have four in the front benches. Where are yours?

Mr. Horner: I want to announce the number of changes that were made.

Some hon. Members: Oh, oh!

Mr. Horner: If all this catcalling and hollering goes on, I would like to have it deducted from the time allotted to me, Mr. Speaker. I do not care what the hour is right now. I once remember speaking at 7.30 in the morning, not of my desire but at their request. If I cannot have order, I will sit down.

Some hon. Members: Hear, hear!

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Order, please. I am sure that some hon. members, as well as the Chair, are interested in listening to the remarks of the hon. member. I think he should be permitted to complete his remarks.

Mr. Horner: Thank you, Mr. Speaker. If the hon. member for Lanark-Renfrew-Carleton (Mr. McBride) had entered this House at the beginning of the debate with his mind as open as his mouth, he might well have learned something and he might well have been more knowledgeable than he is now.

Mr. Schumacher: You are scared of television, are you not?

Mr. Horner: Let me tell you, Mr. Speaker, of the major changes that were made in the committee. First, we had a bill called C-197, which became C-176, which is to appoint a council at the wish of the minister or the governor in council. We saw this happen in the task force report on agriculture. There were nine members of the commission, four of whom reported for eastern Canada and knew nothing of agriculture, two of whom were from Ontario and knew nothing of agriculture, two of whom were from Quebec and knew little of agriculture, and one was a person by the name of Clair Gibson from Manitoba, a university professor who while his thinking was warped perhaps did know something about agriculture. What are the facts? The first amendment accepted by the agricultural committee is this, that the council will be composed of from three to nine members, 50 per cent of whom must be producers. It is pretty hard to divide nine into two, or to divide three by two. I do not know how they will do this, but I think that five of the nine members should be producers. That is what we asked for in June when this bill was first brought forward.

An hon. Member: Speak louder.

Mr. Horner: I can easily outshoot or outshout any member in the House, but when it comes to a bunch of jackals, how can one outshout or outshoot them? I will take on any one of them, or the whole bunch of them, in either contest, shooting or shouting, if that is what the House of Commons has become embroiled in. Is it an outshouting match or an outshooting match? Which do they want? Which are you going to request, Mr. Speaker, from your prominent position in the House of Commons? Will it be outshooting or outshouting? I believe that you should request a little decorum in this House.

• (3:50 a.m.)

Some hon. Members: Hear, hear!

Mr. Horner: I will take them on either way, but I grew up in a family that believed in democracy and freedom of speech. I would like to think that in this particular place one could have freedom of speech no matter what the hour of the day, and I hope I am in no way casting reflections on your ability to occupy the seat that you do, Mr. Speaker. I am not saying anything that should particularly offend anyone over there, but apparently at this hour they are sensitive about this bill. As I said, I can talk until 7.30 in the morning.

Some hon. Members: Carry on, Jack.

Mr. Baldwin: On a point of order, Mr. Speaker, I should mention that if this debate continues until tomorrow it will be January 1, 1972, and this session will have lasted for three calendar years, mainly because of the administrative incompetence of the government.

An hon. Member: And obstruction from your party.

Mr. Baldwin: And if it does last until 1972, it will be because hon. gentlemen opposite are not providing the courtesy of allowing members of our party to speak.

Mr. Horner: Mr. Speaker, I rise on a point of order so that what I say now will not be deducted from my 20 minutes. I have not interrupted anybody in the House of Commons for the last three hours.

An hon. Member: That's garbage.

Mr. McGrath: Mr. Speaker, I rise on a point of order. I believe it is your responsibility to impose the Standing Orders on the House, and there is Standing Order 12(3) which says that a member has a right to speak without interruption. I suggest to Your Honour that you should impose that Standing Order.

The Acting Speaker (Mr. Laniel): Order, please. I am sure hon. members on both sides are aware that the Chair cannot apply the rules of the House unless it gets the co-operation of hon. members. I am asking the co-operation of hon. members on both sides of the House. Unless the Chair gets this co-operation, whether for one speaker or another, it will be impossible to be fair to everybody. I hope that all hon. members who seek the floor to give an expression of opinion in this debate will have the opportunity to do so and be heard.

Mr. Horner: Mr. Speaker, the hon. member for St. John's East—

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to call the attention of hon. members to the fact that I personally know the hon. member for Crowfoot (Mr. Horner). When he asks that hon. members listen, he is right, for he has never caused the committee or the House to waste a single second.

I would therefore ask hon. members to listen to the hon. member for Crowfoot, for I know that he has interesting things to say.

[*English*]

Mr. McBride: On the same point of order, Mr. Speaker, I think the record should show that as recorded at pages 10783, 10784, 10785 and page 10786 of *Hansard* I was prevented from making a speech by the same hon. member on Tuesday of this week.

The Acting Speaker (Mr. Laniel): Order, please. The Chair is not here to judge the past actions of hon. members but is presiding over the debate which is taking place at this time. I think at this late hour, and because of the importance of the debate, hon. members should co-operate with the present occupant of the chair and allow the hon. member for Crowfoot and any other hon. member who is interested in participating in the debate to express his opinions on this legislation.

Mr. Horner: According to my timing, Mr. Speaker, I have used about five minutes of my allotted 20 minutes, and before I reach the end of my 20 minutes I am prepared to move that this House do now adjourn. That would precipitate a vote. All I am asking is to be heard for 15 minutes.

Some hon. Members: Louder!

Mr. Horner: I think they should at least give me some kind of attentive hearing. If they cannot give me that, then I ask them to step out behind the curtain and have a smoke. But for heaven's sake, let us keep some decorum in this House, or adjourn it and come back next year to deal with this bill. I have had enough of this guck.

The Acting Speaker (Mr. Laniel): Order, please. The Chair invites the hon. member for Crowfoot (Mr. Horner) to co-operate with me. I think hon. members are not being fair to themselves or to the House if all the time they invite in one way or another others to provoke them. We will not make progress in this debate unless we get some good will from everybody. The Chair asks that hon. members abide by the rules of the House; that is all I can do.

Mr. Horner: Mr. Speaker, I had read out one of the major amendments which the committee achieved, dealing with the composition of the council of three to nine members, 50 per cent of whom must be producers. I thought this was a major achievement of the committee. The second major amendment that the committee achieved was to stipulate that the chairman or vice-chairman of the council must be a producer. That was not written into the old bill, C-197, or into this one, C-176.

The third major amendment that the committee achieved was to stipulate that there be regional representation on the council. The committee travelled all across Canada. We went to Nova Scotia, to Halifax, to Quebec City, to Toronto, to Winnipeg, Regina, Edmonton and Vancouver. At every one of those locations we heard representations that the council should have regional representation on it. I am grateful to the committee for finally supporting an amendment to that effect, stipulating that a third of the appointees should come from western Canada, a third from the central provinces, and the remaining third from the Atlantic provinces. I thought this was a major breakthrough, and it allayed a lot of the anxieties expressed at the eastern and western extremities of the country.

Another major amendment which the committee achieved changed the original proposal in the bill that the governor in council could establish an agency when a significant number of producers in a region requested that a national agency be set up. This was changed to read that a majority of producers in a region would have to request an agency before one could be established. The bill as now amended states that before an agency can be set up there must be a majority of producers across Canada in favour of setting up such an agency, and that a plebiscite may be taken by the council in order to satisfy itself that a majority is in favour of a national agency.

• (4:00 a.m.)

This is one of the most significant amendments that the committee established, and that after months of heated argument. The other major amendment achieved by the committee was that an agency will consist of not more than 12 members and that the majority may be producers who will be elected, and that agency members may elect a chairman and vice-chairman. It follows that if it is the general desire to have a producer as chairman or vice-chairman, it can be achieved.

Naturally, I was not satisfied with all the work of the committee but I should like to say a word of appreciation for the chairman of the agricultural committee.

Some hon. Members: Hear, hear!

Mr. Horner: Sometimes the chairman and I had violent arguments such as the one which took place on March 12, 1971. Mr. Speaker, sometimes you witness arguments in this chamber, but I am sure you have not witnessed the heat and venom expressed in the agricultural committee. However, the chairman withstood it all and came through with flying colours.

Some hon. Members: Hear, hear!

Mr. Horner: He did a tremendous job. We could not have reached the conclusions that we have today without the understanding and conciliatory attitude of the chairman. While I do not like to hand out bouquets to any member on the opposite side of the House, Mr. Speaker, on this occasion I cannot help doing it. I understand the difficulties he had, and I appreciate his work.

Mr. Speaker, you are apparently anxious to rise and limit my time, but I want to caution you that I was interrupted on many occasions. I do not feel that I have had 20 minutes, and I should like to continue for another five minutes.

Mr. Speaker: Order, please. The hon. member's time expired at four o'clock and he was given an extra five minutes to take into account the points of order, interruptions and questions of privilege. It is always difficult, without a stop-watch, to determine exactly what time has been taken up. Perhaps the hon. member might be allowed another five minutes, which would give him an additional ten minutes.

Some hon. Members: Agreed.

Mr. Horner: There is one other quotation I would like to put on the record. We now have an agricultural bill in which supply management is limited to poultry and poultry products unless the other producers want to be included. On February 25, 1971, I made the following suggestion to the committee, as reported at page 44 of the committee proceedings:

Mr. Chairman, just before we get into the depth of the committee's studies, I would like just to put forward a suggestion to the committee. Here again the suggestion being one which I think would facilitate the passage of this bill through the House. In fact I can foresee this bill being passed by this committee today. I just throw this out as a suggestion. I would be prepared to withdraw my subamendment if the mover would be prepared to withdraw his amendment and that clause 2(c) be changed to read:

'farm product' means any natural product of poultry and any product derived therefrom.

I went on to say:

If that definition were accepted, we on this side particularly could see a situation where we would be through with this bill today and it could go back to the House. We could deal with it early next week. It could become law, as far as we are concerned, before the end of next week. I just throw that out as a suggestion to you, Mr. Chairman, to show some degree of a spirit of co-operation to facilitate the passage of this bill.

I said that in all seriousness. The minister, who was a witness before the committee, said at page 25:45:

Mr. Chairman, there are other groups representing other commodities—and a most outstanding other example that comes to mind is the potato industry—who have been seeking ways and means for a long while to have an orderly marketing of their product and to have a co-operative effort set up between the provinces to put that in place.

He continued on page 25:46 as follows:

What would happen as a result of Mr. Horner's suggestion, if the bill was amended that way, would be that we could deal with a crisis situation such as the broilers and eggs at the present time; but I have to say this, and I say it with all the kindness that I can muster, that I have heard on many occasions, members of the opposition, including Mr. Horner, accuse the government of not dealing with problems until they get to a crisis situation.

The minister went on to say that he wanted potatoes to be included in the bill. We have heard nothing about the potato industry today. I said at page 25:47:

Mr. Chairman, and correct me if I am wrong, I could be wrong, but did we have any potato producers appear before the committee?

I was in a conciliatory mood. The fact of the matter is that I was agreeable to including vegetables in the bill. I recommended that clause 2(c) be amended to read:

(c) 'farm product' means any natural product of poultry or turkeys, and vegetables and any product derived therefrom.

I suggested that that amendment would include within it potatoes. I will not read everything I said because my time is limited. I said that I would move that amendment so that clause 2(c) would apply to the poultry and vegetable industries and products thereof. The minister said no, he wanted everything included in the bill.

I hope hon. members of the House realize that this bill does not really apply to any commodity except to eggs and poultry. If the egg and poultry producers want to come under the law, they must so signify. If they want supply management provisions to apply to them, the government of the day—and I do not think it will be the government opposite—will have to come forward with an amendment. It will need to introduce another bill which will say that the supply management concept shall apply to the product of that industry. So in closing I want to say that in the climax of this debate the members of the opposition have made most constructive suggestions and moved constructive amendments to this bill. It was only through heated, long-winded and very detailed debate that we were able to accomplish what the country wanted with regard to this bill dealing with the marketing of agricultural products.

[Mr. Speaker.]

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I cannot shoot or shout as well as the hon. member for Crowfoot (Mr. Horner), but I will do my best for a few minutes. It seems strange that not long ago the stabilization bill was before this House, and now we are considering Bill C-176. The official opposition has tried to be all things to all people and the hon. member for Crowfoot, in particular, is trying to take the credit for what has been accomplished. The hon. member suggests that through his efforts the bill will do exactly what he wants. It is only proper to say that an amendment brought forward by my colleague for Fraser Valley West (Mr. Rose), which was not accepted, spelled out that any natural, agricultural product ought to be included in the bill. Surely the hon. member for Crowfoot should realize, even though he was not in the House when the amendment was moved, that he should not crow about what this bill accomplishes. He was not alone in suggesting what should be included in the bill.

• (4:10 a.m.)

I also noted that a short while ago the hon. member for Fraser Valley East (Mr. Pringle) mentioned the fact that he was in the chicken industry in Edmonton, and I would like to tell the House that my parents happened to buy chickens from Pringle Hatcheries in the city of Edmonton and as I look at the bill now and realize that the hon. member is also involved with Maple Leaf Feeds at this time I am wondering whether this bill is designed to protect the individual producers or whether it is to protect Canadian Packers, Maple Leaf or Ralston Purina. These are the areas of concern we should have, Mr. Speaker. These are the areas which we should examine to determine whether or not the bill the Minister of Agriculture (Mr. Olson) has brought in is really intended to protect the producers, or whether it is in reality intended to protect the large corporations.

A short while ago the hon. member for Bruce (Mr. Whicher) referred to the absence of some hon. members from the House. I do not see him in his place now, but I would suggest—

Some hon. Members: He is there.

Mr. Skoberg: Oh, yes, I see he is in his seat, Mr. Speaker. He is in his stall. The hon. member suggested that unless the various leaders of the parties were in their places in the House, it meant very little. I would like to respond to him by saying that we in this party are able to delegate authority without any problem whatsoever.

Some hon. Members: Oh!

Mr. Skoberg: And as I looked across and saw the Prime Minister (Mr. Trudeau) in his place for a few short moments, it reminded me of the tokenism which is so evident in this bill. In my opinion, Mr. Speaker, this bill is straight tokenism and means very little to the agricultural producers.

I also understand that the Prime Minister pretty well took the whip to his people, and as we look across the chamber tonight we note that this is probably the only reason that many of the hon. members on that side are here tonight. It is a clear indication that unless the Prime Minister himself is present he cannot rely on too many of his members to be in their places to defend the policy which the Minister of Agriculture (Mr. Olson) has brought forward. It is also clear that the minister himself is not all that confident in so far as this legislation is concerned.

I am particularly interested to note that the Minister of Labour (Mr. Mackasey) is with us at this time, at 4.15 in the morning.

Some hon. Members: Hear, hear!

Mr. Skoberg: I am very confident that the amendment introduced by my colleague from Timiskaming (Mr. Peters), with regard to the type of bargaining which should go on with respect to products, is something with which the Minister of Labour should be fully familiar. It seems to me he knows a little about industrial democracy, he knows a considerable amount about collective bargaining and he knows well that individuals who are affected by any type of legislation, collective agreement or any managerial prerogative should have the opportunity to express themselves as to the type of changes which may come about or which may, in the future, be either to the detriment or benefit of that particular class.

I am equally confident that if the Minister of Labour were to have his way he would be only too pleased to stand in his place and support the amendment which is now before the House, because it is really collective bargaining. I can well understand some of the people opposite who ask, "Who will be the collective bargaining agent representing the producer?" This is obviously a situation in which they are trying to cloud the issue, because that is something that would be resolved by the producers. They themselves would determine who that collective bargaining agent would be. Surely, when we do come to a vote on the amendment and ask the committee to take another look at this clause, the Minister of Labour will want to support the principle of collective bargaining. Surely before then the Minister of Labour would like to rise in his place and defend the principle of collective bargaining. Actually, this is all the amendment means. If the minister were really concerned about the kind of representation and changes being made to the betterment of the producer, this amendment would be accepted.

The main factor to consider in this bill is whether it provides for proper marketing or for the manipulation of production. The crux of the matter is whether the large corporations are going to manipulate production in this country. Members on all sides of the House are really concerned about the small producer. When I look at the token amendments that have been offered, I wonder whether the producer will really be protected from manipulation. This is one area we should be greatly concerned about.

This bill does not offer anything. It gives an illusion. That illusion is anyone's guess. We will be creating a false impression for the people of Canada if we say that the debate being carried on at this time of the morning will result in any betterment for the producer. The Canadian farmers have been sold out by the Minister of Agriculture and his colleagues by this bill. There is nothing in it that can be of any benefit to them. The real issue at stake revolves around the provision that there be something in the bill to give the farmer and the producer some bargaining power. The amendment moved by my colleague would do something along this line.

I was amazed when the hon. member for Bruce (Mr. Whicher) said that the National Farmers Union was in complete agreement with this bill. I understand a news release has been issued by the president of the National Farmers Union in Saskatoon which spells out that they are not in agreement with it. I suggest that the hon. member for Bruce look at the press headlines tomorrow. He will then see whether the National Farmers Union has agreed to this bill.

We are trying to do something that will be agreeable to all producers in this country. The hon. member for Crowfoot suggested that he had received what he wanted. I believe the Minister of Agriculture would like to have seen the bill pass in its original form. In that particular text it would have included all commodities in the agricultural field.

When this bill comes to a vote we will realize that we must include some form of bargaining for the producers. My colleague stated this evening that every chicken, pig and cow has a vote. If the ball is tossed to the smaller producers, it will not be in existence very long. It will be a sorry day when everyone in Canada realizes that, after the other place looks at it, we have passed a "nothing" piece of legislation. The people expected more, after two years of debate and all the horse-trading. They expected something that would include all commodities, not to end up with the situation we now have.

• (4:20 a.m.)

Surely the Minister of Labour would like to stand up and tell us about his experience with management over the years he has been Minister of Labour, and about his experience in the field of proper representation for people who are affected by adverse legislation. Surely he would like to explain to the House how he believes in industrial democracy, and how he would in this particular case plead that the producers have a real say in the bargaining process. It is only by the adoption of the amendment and referred back to the committee that the hon. member for Timiskaming has suggested in his motion that this can come about.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I realize you are very cosy in your chair and I would very much like to be in similar circumstances. However, the former speaker simply begged someone to make a few comments in reply to those he uttered. He mentioned that it is the official opposition which has straddled the fence. Let me tell my friend from Moose Jaw (Mr. Skoberg) that if

anyone has been straddling the fence it has been the member himself, because over the years I have always heard members of the New Democratic Party preach about the need for a national marketing board and so on. Yet at this particular time, when they have an opportunity to vote on that very issue, he suggests that we had better go back to the committee and study the bill all over again. If what we should have is a national marketing board, they have it and will have to live with it. Let me tell that hon. member and the NDP that for years they have sold the people on the idea, and as a matter of fact have sold it so well that they have sold it to the Liberal party.

Mr. Skoberg: On a point of privilege, Mr. Speaker, I believe the member now speaking has misinterpreted the motion that is before the House. It is a motion to refer one portion of the bill back to the committee. There has been no suggestion that the whole bill be referred back, but merely the part that was under discussion.

The Acting Speaker (Mr. Laniel): Order, please. The point raised is merely an argument or a point of debate. I think the hon. member for Mackenzie (Mr. Korchinski) should be allowed to continue.

Mr. Korchinski: Mr. Speaker, I accept the member's explanation. Now I know that he stands four-square in favour of this stupid bill. Neither I nor my party are in favour of this stupid bill which would in no way solve any of the problems in which people engaged in the agricultural industry find themselves. For God's sake, what is the Farm Credit Corporation all about? Has it not been promoting the enlargement of farms, and so on? How can one promote greater efficiency and at the same time restrict production? How can one restrict production and obtain the same amount of return?

The member who spoke did not want a net return which would be compensatory to the cost of production. He has to explain it somehow to his people, and I would like to have his explanation so that I can carry it through to the next election. I want to know the stand of the NDP. I should like to hear it now and have it on the record so that I can carry it, not only to my constituency but to every other constituency. Every NDP'er in this country stands four-square for control. This is true. I know for a fact that in Saskatchewan they did not want people to control their own land. At least the former Liberal government in Saskatchewan allowed the people an opportunity to buy up some of the land. It gave them 20 or 30 years to buy up that land.

However, this was not part of the NDP philosophy, and that is why they do not want this to go through, because it will implement some of their stupid philosophy and they know it will not work. I cannot quite understand why the government was so insistent on trying to get it through. Now that we are so close to the vote I do not understand why they insisted on this type of legislation which has always been part of the NDP philosophy, because it means dictatorship, it means control.

Mr. Howard (Skeena): Shame!

Mr. Korchinski: I agree with you fully, because it is not going to work. There is no way in which you can restrict production and at the same time increase production. You can control production, but you will not be able to control the cost of production and there is nothing in the bill that would suggest that this is possible. Only one thing can happen, the small farmer will be drowned out and that will be "b.s." for him, if that is what you suggest. There is no way in which any man can survive under this type of legislation.

I am wondering why the NDP are beginning to stall. It must be because they are afraid. This is the result of a push that they have given to the Liberal government, and the Liberal government has swallowed it because they thought this would be the salvation. There is a left-wing element over there. Today I asked the Secretary of State for External Affairs (Mr. Sharp) an interesting question the implications of which were perhaps not understood by many members. I asked him whether we did or did not make a protest to Russia. Another factor is that the left-wing element in this country will protest to the United States but will not protest to Russia.

These protest groups, vociferous as they are, will work in one direction but not in another. So they have sucked in this government to the point where the Gallup poll shows that they got sucked down the drain. If you expect that the people are stupid, blind or naïve, then continue in that direction. I suggest that the two parties might as well form a coalition. The party to my left are really Liberals in a hurry, but they will speed up the destruction of the Liberals. I say to the government, listen to them, keep listening to them. All these years the official opposition has been instrumental in bringing about greater changes in the bill. Every member who sat on that committee knows that we did it with sincerity. Government members fought us as sincerely as we fought them, and government members on the committee were changed when necessary in order to fight for a particular clause that we were seeking to amend. Now hon. members opposite find themselves in this situation. Are they going to listen to this type of suggestion from the NDP?

• (4:30 a.m.)

An hon. Member: Yes.

Mr. Korchinski: Then I am quite prepared to see you go down the drain. I have no reservations at all about that.

Mr. Knowles (Winnipeg North Centre): If you know a better drain, go to it.

Mr. Korchinski: An hon. member said that farm unions have requested this type of bill. At one time I used to belong to a farm union group. I did my darndest to cultivate it.

An hon. Member: In the Palliser triangle?

Mr. Korchinski: No, we are away off the Palliser triangle. We grow Christmas trees in my constituency. We tried our darndest because we were small farmers. We were struggling to exist. And do you know something, Mr. Speaker? Because of the fact that we have to struggle for existence, if we take on another job to help out, the Minister of National Revenue (Mr. Gray) will say that we cannot deduct our farm expenses any longer for income tax purposes. This is another problem that we should discuss with the government.

The hon. member for Moose Jaw (Mr. Skoberg) says that farm unions have advocated this kind of legislation. I know that the NDP have advocated it. I know that there was a request for an egg board in Saskatchewan and it was turned down. The farmers knew what was right for them and what was not right. They did not think a simple bureaucracy was the answer for them. I do not think it is the answer for them. This bill will not solve anyone's problem. If a producer has a quota he will be in a good position. If he does not have a quota, then it will be too bad for him. This bill, I repeat, will not solve the farmer's problems. Certainly all farmers want to become more efficient and increase their production. To this end they buy fertilizer, introduce new strains, grow new vegetables and do everything they possibly can.

This bill will not guarantee prices for farmers' produce. I suggest that the NDP is deceiving the House and the country by throwing out red carrots.

An hon. Member: In the sunset?

Some hon. Members: Oh, oh!

Mr. Korchinski: Well, a red herring. If the government accepts the solution to their problems such as is offered by the New Democratic Party, then let them ponder whether this country needs this type of advice.

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The House divided on the amendment (Mr. Peters) which was negatived on the following division:

Division

YEAS

Messrs:

Baldwin
Barnett
Beaudoin
Bell
Bigg
Burton
Cadieu
Carter
Code
Danforth
Downey
Forrestall
Godin
Grills
Gundlock
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg-North Centre)
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lundrigan
MacDonald (Egmont)
MacKay
MacLean
McCutcheon
McGrath
McIntosh
McKinley
Marshall
Mazankowski
Moore
Nowlan
Paproski
Peters
Rondeau
Rose
Rowland
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—48.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Jamieson
Kaplan
Lachance
Laing (Vancouver South)
Lajoie
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Manoney
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Roberts
Robinson
Rochon
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudel
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—106.

• (5:00 a.m.)

Mr. Speaker: I declare the amendment lost.

[*Translation*]

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, once again, on this night which is the last in 1971 and during which I feel all the hon. members worked eagerly, I thank you for having allowed me to deal with Bill C-176 entitled "An Act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products".

Mr. Speaker, Bill C-197 was discussed—

Mr. Speaker: Order. I would invite the hon. members to allow the hon. member for Richmond (Mr. Beaudoin) to continue his speech.

Mr. Beaudoin: Mr. Speaker, Bill C-197 was debated and given the six months' hoist. The government then introduced Bill C-176 which is an exact copy of Bill C-197.

Having the honour of being a member of the Standing Committee on Agriculture, I can assure the House that we had all sorts of experiences: endless discussions, trips throughout Canada, never-ending sittings, speeches and briefs, some interesting, others much less so. I even went to Washington with some of my colleagues for a week of study, in order to meet American officials or the Undersecretary of Agriculture.

I am convinced that we have met the representatives of over a hundred organizations of farm producers in Canada. For two years, they explained to us personally what they thought of the bill. We have received as many if not more briefs written by individuals or organizations which could not appear before the Committee on Agriculture.

So much has been said that I think that we have discussed for at least 10 full minutes each important word appearing in some 25 pages of the bill on marketing of farm products.

My good friend the hon. member for Crowfoot (Mr. Horner) and many others have moved dozens of amendments which, for the most part, were acceptable.

To my knowledge, the government accepted at least 32 amendments and refused the others.

For my part, whether in committee of the whole or at the Standing Committee on Agriculture, I believe that I have pointed out to my colleagues all aspects of the bill that seemed suspect to me or at least difficult to apply.

• (5:10 a.m.)

In my opinion, this bill ought to provide a control of imports, if we really wish to help the agricultural class, because Bill C-176 does not provide the National Council and marketing agencies with the required tools to regulate imported products in the same way as Canadian production.

If we want this legislation to be efficient, I think we must take into account the agricultural production of our neighbours, as well as their future import and export problems. Canadian producers' associations will have to attempt to enable their members to supply a product of similar or, if possible, better quality. They will have to produce at competitive prices and perhaps at cost prices lower than those of their competitors, namely American producers or those from any other friendly country, whether they import our commodities or export theirs to Canada.

During the study week on agriculture, which I had the honour to attend with some colleagues in Washington, between November 28 and December 5, 1971, we heard several lecturers, all of whom were American civil servants and real experts in that field. One of them, who submitted a brief, I now remember: he was Mr. Ioanes, Under-Secretary of Agriculture in the United States. Mr. Ioanes had just returned from a trip around the world ans was talking about his forecasts in the agricultural field. He told us, in reply to one of my questions, that Canadian beef would sell at a good price as long as the United States would import beef and veal from Canada, but that it was always possible that the United States would reduce the volume and value of Canadian imports, because that country was already supporting American producers through all kinds of subsidies totalling $3.5 billion a year. He added that it would not be fair to make too much competition to American producers by importing too many similar farm products in Canada.

Mr. Ioanes also said that in future American producers would arrange to have cattle ready for slaughtering at an earlier age. So the only horned beasts of two years and a half and over in the fattening stations will be breeding cows, which will mean a higher productive capacity.

In the United States, there are now in Texas, Oklahoma, Nebraska, Colorado, California and Mississipi alone about 152,000 fattening stations. Almost all have been built since 1960. But the under secretary for Agriculture foresees that beef production will increase by at least 5 per cent in 1972 and that the rise will continue in the future.

Mr. Speaker, in the United States this year, 75 per cent of slaughtered calves came from those fattening stations. A very high percentage of beef producers are landless and I believe the same situation will prevail in Canada by the 80's.

Canadian producers will be increasingly specialized and, like those in the United States, will produce ever larger quantities and consistantly improved quality products. It is therefore essential that Bill C-176 provide free movement of all agricultural products between Canadian provinces: feed grains as well as beef, veal, hogs, poultry, eggs, etc. so that production costs are practically the same throughout Canada.

Mr. Ioanes has told us that the Federation of American Agricultural Co-operatives has called on the U.S. government to pass legislation on the marketing of farm products as early as possible, including control of imports and exports. I consider that in view of their climate, which permits large grain crops and their immense production capacity in all fields of agriculture, Bill C-176 should also include provisions whereby imported farm products are also subject to quantity and quality controls by the National Council and the marketing agencies to be created.

[The Acting Speaker (Mr. Laniel).]

Mr. Speaker, I have personally held seminars where I have had the opportunity of meeting almost all the farmers in my riding and discussed with them the long and short term effects of this bill. I believe therefore that my constituents and all those who read the reports of the standing committee on agriculture—and God knows how many pages they contained—and *Hansard,* know my position.

I can also state that it has been unchanged since I first took part in the debate on Bill C-197. The more I discuss it, the more I hold on to my opinion which is shared by others.

Mr. Speaker, I would call your attention to the fact that in the first speech I made in this House on the then Bill C-197 which is now Bill C-176, I expressed some misgivings because it did not provide any means of control on imports and exports.

I was saying a few moments ago that we have visited all the Canadian capitals to hear the briefs that were submitted. I shall give you a summary of the results obtained. We have been to Washington, Quebec City, Toronto, Winnipeg, Regina, Edmonton and Vancouver and have had the opportunity of meeting the spokesmen of 78 producer associations representing more than 90 per cent of Canadian producers. Of these 78 associations, 4 were undecided in respect of the bill, 31 were against and 43 were in favor. It should be noted that with some exceptions, all the associations which have replied affirmatively maintained their position provided amendments were introduced to the bill.

I think the same situation prevails among most members concerned with this subject. There is a fundamental difference between the government outlook and mine and that of many of my colleagues.

In my mind, the essence of the bill can be summed up in the four paragraphs appearing at pages 558 to 560 of a document entitled "Proceedings of the Canadian Agricultural Congress". That convention was held in Ottawa from March 24 to 27, 1969. If I may, I should like to call the attention of my colleagues to recommendations Nos. 104, 105, 115 and 116. I quote:

104—In this stage, which is simply a logical progression from Stage III, governmental control increases to the point where agriculture operates as centrally regulated monopoly. Government planners decide the types and amounts of production, regulate selling, set prices and rationalize marketing channels.

105—In return for submitting to a high degree of regulation the farmer gains almost total security in wages and rates of return on investment which are set by government organizations or appointed commissions as in the case of other public utilities. Although this would entail a high degree of regulation, the farmers would still retain ownership of land and resources and exercise a managerial function in regard to operating aspects that did not come under direct government control.

115—The relationships of government, farmers, and farm organizations in either system is somewhat ambiguous and in practice, authority and responsibility are not clear.

This is still the farmers speaking.

I continue to quote:

Both systems seem to result in much confusion as to objectives, policies, and programs. Examination of the trade-offs indicates the following generalizations:

116—If farmers want additional security they must give up a certain amount of freedom.

That is the part I do not like, Mr. Speaker.

The quotation goes on:

If farmers want a guaranteed annual wage and return on investment they cannot have high profits.

This is exactly what Mr. Ioanes said in Washington in the month of November.

And further on:

If farmers want government control, they must serve consumers and taxpayers.

That is obvious! It goes on to say in the final paragraph:

If farmers want a high degree of government control, farm organizations will have to give up a large degree of their potential power, initiative and responsibility to government.

Mr. Speaker, in my opinion, this is not what is required by the farmers in my constituency. As I pointed out earlier, I have met almost all the farmers of the Richmond constituency and they object to the bill being passed in its present form. I have received hundreds of letters of protest of which several dozens come from my constituency. I would like to draw the attention of the House to one of them which summarizes rather well my constituents' views. It was sent by the Ferme Manasan Limitée, Aberdeen-Angus Enregistrés, Danville, Quebec and I quote:

Dear Mr. Beaudoin,

Needless to tell you that I have been quite disappointed to see your committee insisting on beef being included in Bill C-176. I cannot understand why your committee caused its members to waste so much time and spent so much money to travel throughout Canada to hear the "people's voice" and finally take no account of unanimous requests about the products involved.

If this is the *modus operandi* of politicians who believe they have been directed to protect the people against their own foolishness, it is easy to understand why the producers have little confidence in the committee's statement to the effect that agencies be created only at the producers' request.

To increase our fears, as Quebec beef producers, our minister says that he is insisting on beef being included so that he may use this as a tool in negotiations with the other provinces. Surely, you have enough imagination to see in what position this would put us.

Beef cattle producers are now setting up a provincial association which will start operating on May 17 next, and then it will be possible for us to speak with one voice, without having to submit to the censorship of our elected representatives.

And I must add, let us hope that it is not too late—

Sincerely yours,

Robert Laberge

Mr. Speaker, this letter is self-explanatory. I believe that the majority of Quebec farmers share to some extent the views of Mr. Laberge, of Danville, one of the most specialized producers in my constituency. For my part, I believe in free enterprise. I have worked hard all my life, and sometimes in difficult conditions, in order to remain my own boss. By far I prefer the individual freedom enjoyed by our farmers to a promise of uncertain and vague stability that could be the lot of some of them, especially the bigger ones, and the sure death of the small producers.

In principle, I have much greater admiration for the wild horse, free to eat what it wants, than the thin plug which eats whatever it is given and is obliged to haul a cart led by a driver who does not know where he is going.

I believe that many of our agricultural producers do not realize that the government control wagon will be very hard to pull for a great number of them.

I admit that for certain classes of producers, such as poultry and hog producers, this bill can be acceptable, because it amounts to a lesser evil than a catastrophy, but the exception proves the rule!

In conclusion, I want to tell the House that this is my position and it will not change. I think I have fulfilled my duty as concerns this bill, and if the majority of us has not yet been informed of what will happen if this bill is passed in its present version, we shall remember it in five years from now if on account of this legislation, we have to take special measures to help the small farmers who will have moved to the cities and will be state pensioners, living on welfare benefits. Thank God, I will not be responsible for that because I shall vote against the bill in its present version. With your permission Mr. Speaker, I should like to move, seconded by the hon. member for Bellechasse (Mr. Lambert) the following motion:

That Bill C-176 be not now read a third time, but that it be referred back to the Standing Committee on Agriculture, with instruction to amend clause 2(c) of the said bill in order to include any imported natural product of agriculture.

• (5:20 a.m.)

[*English*]

Mr. Deputy Speaker: Order, please. The House has before it for consideration the amendment. It seems to the Chair that the referral back of the clause may be in order and the Chair could accept it. However, I have some concern about the direction that is given in the motion.

I wonder if the mover of the motion would consider deleting the instruction that is given in the motion, which the Chair could then accept. I have to admit some difficulty in dealing with the other official language, with which I am not very familiar, but it would seem to me that if the mover of the amendment were to delete the last part, and if members were to give me their indulgence, it would be acceptable to the Chair if it is acceptable to the hon. member who proposed the motion—

[*Translation*]

—in order to include any imported natural product of agriculture.

[*English*]

Mr. Deputy Speaker: I think that unless there are other objections, the Chair would be prepared to accept the amendment. I now have an English translation which assists me in considering the amendment. With the indulgence of hon. members, and using the English translation, perhaps I could suggest that if there were a change that this be referred back to the committee on agriculture with a suggestion that it be amended, it would be acceptable to the Chair. If the hon. member is prepared to accept the amendment in that way, that would be acceptable to the Chair.

[*Translation*]

Mr. Beaudoin: Mr. Speaker, I thank you for your remark. I believe the last three words are precisely the substantial part of my motion. In fact, we want above all to mention in this motion the natural products of agriculture that are imported.

If you want the clause to be referred back to the committee for study, we are ready to withdraw our amendment. We are ready to withdraw the part that seems ambiguous to you from the point of view of procedure, except however the last three words of the amendment.

Agreed.

[*English*]

Mr. Deputy Speaker: The motion is before the House.

Mr. J. H. Horner (Crowfoot): I should like to rise at this point to support the hon. member for Richmond (Mr. Beaudoin). I assure Your Honour and the House that I intend to be brief. This subject matter has received wide and full discussion in the committee and it is one of the reasons why I was prompted to file motion No. 14, which has already been voted upon, which in essence suggested that there should be an amendment to clause 7 which I suggested should be lettered subclause (h). It would then have read:

• (5:30 a.m.)

—shall study the effects of imports on the price quantity of products grown in Canada and make recommendations to the minister—

The success of the application of supply management really depends upon the amount of the product coming onto the market. The experts who believe that the application of supply management domestically within Canada can regulate production to the degree that they can control the amount of a product coming on the market, and thereby provide greater stability within the industry, fail to take into consideration the important part that imports can play.

I notice that the Minister of Agriculture is still in his seat and he can correct me on this if I am wrong, but I recall that there was a loose arrangement or agreement made with regard to the egg market, egg supply and distribution within Canada, about four months ago. Provinces tentatively agreed to produce so many eggs and sell so many eggs in other provinces. According to an article which I read in the Magazine *Country Guide,* the minister accepted responsibility for controlling imports of eggs into the country so that this arrangement could have some chance of success. However, I understand that since that time the arrangement has broken apart. I do not think it has been successful.

But to bring the significance of this to the attention of the House I must refer back to Bill C-215 respecting the Textile and Clothing Board, and in particular to clause 9. That bill was basically designed to set up a board to regulate the clothing and textile industry. It is a highly vulnerable industry, in fact something like the egg and poultry industry to which the supply management concept of Bill C-176 will apply. Clause 9 of Bill C-215 provides:

The board, with respect to the importation of any textile and clothing goods,

(a) may, on its own initiative, or on receipt by the board of a notice of complaint filed pursuant to section 8, or

(b) shall, on receipt of a written request from the minister,

conduct an inquiry in order to determine whether the textile and clothing goods that are the subject of the inquiry are being imported at such prices, in such quantities and under such conditions as to cause or threaten serious injury to the production in Canada of any textile and clothing goods.

This is basically what I sought through amendment No. 14, and basically this is what the hon. member for Richmond seeks now. He recognizes that the poultry industry is in a very vulnerable position in the sense that the slightest influx of eggs or poultry from outside the country would upset things greatly. This is why the minister acted four months ago with respect to the importation of eggs, and why we have a tariff on broiler chickens coming into Canada of something like 5½ cents to 6 cents a pound.

Under the present bill, supply management applies solely to the poultry industry, and I wholeheartedly support the suggestion put forward in the amendment moved by the hon. member for Richmond. We must give the council set up under this bill power to inquire into the importation of poultry products to Canada and the effect which such importation has on the concept of supply management.

I defy anyone in this chamber to quote any professor, economist or other authority who says supply management will work in any country or any region of a country without due regard being paid to the effect of imports. Anybody who knows anything about this subject knows it is an economic truth that supply management will not work unless due consideration is given to the effect of imports. Take the example of hog production. I know I am getting away from the poultry industry, but the hon. member for Fraser Valley West (Mr. Rose) made some caustic remarks about my attitude to the hog industry and said I had not spoken once about it tonight. He also made some very derogatory remarks about the cattle industry and how it had lobbied with some irregularity—

Mr. Howard (Skeena): Unethical.

Mr. Horner: —irregular manner. This is certainly false. He also said that I had not spoken—

Mr. Rose: On a point of order, Mr. Speaker, my name is being bandied about by the hon. member for Crowfoot (Mr. Horner) and I would like to assist him since he seems to have difficulty in pronouncing "irregularity" or "irregular." What I actually said was that I felt pressures by the large cattle interests were unethical.

Mr. Horner: I always appreciate such assistance. The hon. member and I worked closely in the committee and I have no trouble recalling his exact words about the unethical manner adopted by some cattlemen. After he made that remark I went to see him behind the curtains, to see if he really meant it. I asked him what he meant and he replied, "Oh, those newspaper ads!" I asked him, "Did the cattlemen publish those newspaper ads?" He replied, "I don't know whether they did or not, I think they did." I do not have absolute knowledge of how those ads got into the papers, but I do know more about them than the hon. member for Fraser Valley West. I assure you, Mr. Speaker, that there were hog men who paid for those ads, and poultry men, and there might have been a few cattlemen. Why accuse only the cattlemen of being unethical? I think he is prejudiced against them, and his prejudices are showing this evening.

• (5:40 a.m.)

Let us suppose that supply management could raise the price of pork in Canada today. In 1970 we provided 19 per cent of the pork imported by the United States, but 35 per cent of their imports come from Denmark. If we increase our price we only create a bigger market for the Danish pork farmers. This is the retrograde step that supply management will effect unless we control our borders.

Mr. Speaker, I know the hour is late.

An hon. Member: It is early—early in the morning.

Mr. Horner: I should like to tell hon. members that I have to catch a plane at 7.50 a.m. so I will not be speaking much longer. Mr. Speaker, supply management is wrong and it cannot work unless we pay close attention to imports. We are only fooling ourselves and the poultry industry if we pass this bill without referring it back to committee. I would hope that the committee would implement a section in the bill similar to clause 9 of Bill C-215, the textile bill. These products share a vulnerability with regard to imports.

In spite of the desires of the hon. member for Fraser Valley East (Mr. Pringle), this bill will not serve any useful purpose for the poultry industry if they disregard the effects of imports. This government pretends to pay attention to agriculture but has not solved any of its problems. I hope that some government in Canada, some day will put its mind to solving these problems.

Unless the government accepts the suggestion of the hon. member for Richmond this bill is only window dressing. Part of my riding is in Calgary and I do not neglect that part, but I still care, perhaps too much for this modern society, about agriculture. This bill does not solve any problems but just touches upon them superficially. For these reasons I shall gladly vote against the bill because it is not an answer; it is merely a cover-up by this government for its neglect since it has taken office.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, at various points in the progress of this bill through the House my colleagues have tried to get me to participate in the debate. Now that we are apparently prepared to see the old year out and the new year in with the continuous companionship we have had in this House, I suppose I might be permitted to say a few words. I might discuss the oyster farmers in my constituency or the three farmers who were brought into the debate a while ago, but I shall try to confine my remarks to the amendment before us. I am not going to attempt to compete with the thunderous oratory of the hon. member for Crowfoot (Mr. Horner) or the frenzied hysteria of the hon. member for Mackenzie (Mr. Korchinski).

An hon. Member: Give us your own brand of nonsense.

Mr. Barnett: I have agricultural producers in my constituency and so I try to maintain some acquaintance with the progress of agricultural legislation through the House. I support the principle of the amendment before us and I agree with the hon. member for Crowfoot that the considerations involved in this amendment are vital to the success of a national marketing scheme of any kind in this country. Sooner or later the principle will have to be incorporated in the operation of farm marketing in Canada if the claims made for the approach in this bill by the Minister of Agriculture (Mr. Olson) are to bear fruit.

I do not intend to deal with the matter extensively, but I feel that the issue contained in this amendment is of great concern to many agricultural producers in the province of British Columbia. At the B.C. Federation of Agriculture's thirty-eighth annual conference, the president, Mr. R. A. Blair, put the blame on "low-priced imports and international trade that does not take place on a fair and equitable basis". He said:

Tree fruits suffered another year of low prices, potato growers didn't even recover costs of production—

From correspondence I have received from potato growers in my constituency, I know that this has been a bad year for them. He went on to say:

• (5:50 a.m.)

—strawberry growers were forced to take a big price cut and poultry groups found their income levels being eroded away.

President Blair then said that his fellow farmers favour international trade and understand that trade is a two-way street. The next part of his report says:

What we cannot understand, and cannot accept, is that the mechanism of trade should be 'greased' with agricultural products.

We are tired of being told that agricultural products from Mexico must be given unencumbered entry into Canada or Mexicans won't buy our wood products . . . that we must continue to accept agricultural products from countries which erect artificial barriers against ours . . . and that we cannot impose a surtax of US fire-sale priced goods because they might retaliate against us.

According to my knowledge of the agricultural situation in British Columbia, that is a fair statement of a position which has been worsening increasingly for many years. It has been recounted in this House on more than one occasion that at one time there was a viable canning industry on the lower mainland of the province. It was purchased by American interests and phased out, and now American canned goods are coming in bearing the label of genuine and well known Canadian brands. The labels are put on after the cans reach Canada, yet the small print says, "Produce of the USA". This has been repeated in other parts of Canada. I was told, on visiting the Niagara peninsula, that the same kind of thing has happened there.

This amendment has raised an important and vital point that we must consider when considering the future welfare of the farm producers of Canada and the establishment of a viable, equitable and orderly marketing system across this country. I took those few minutes, Mr. Speaker, to enjoy celebrating what will be, hopefully, a happy New Year.

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I will not speak for long. I want to put two facts on the record in speaking in support of the amendment moved by my friends to my left. The government believes that when a commodity is under a quota it can, under this bill, curb the importation into Canada of that commodity. It thinks the legislation can do that in cases where the import is sold in Canada at prices lower than those charged in the country of origin. In theory, such goods would be dumped in this country. I wish to cite two examples to show how such a provision in the law is being contravened legally. Great hardships are being worked on producers. The government is placing great reliance on the present law, but I wish to show that the statute in question will not solve the problem that my friends to my left have brought to the attention of the House.

I cite an example that affected me personally. At one time we were in the celery business, and when we had to compete against American celery brought into Canada we laid a charge. We said that the American celery was being dumped here, and we felt that we were on safe ground. Nevertheless, Californian growers were obtaining in California the same price that their celery was fetching in Canada. Why was that, Mr. Speaker? Their freight costs from California to Toronto, plus the cost of containers, were less than our freight costs from Chatham to Toronto. Therefore, it was not a question of dumping but of freighting that we had to examine.

My second illustration involves tomatoes. Not long ago we faced a problem involving canned tomatoes, an important commodity in southwestern Ontario. Those tomatoes were being landed in our eastern ports at sale prices which were lower than those our processors had to pay for the empty containers themselves. There was a real problem in that connection. I cite these two examples to show why this type of study with regard to this bill is so important.

We are dealing with supply management.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. Danforth: I cannot understand why this government thinks it can introduce, under any bill, the concept of supply management when in 1963 Mr. Freeman, then the Secretary of Agriculture of the United States, with the full backing of the U.S. government, of the United States commodity groups and of the U.S. treasury, brought in supply management. That lasted three years only, because he found that it was absolutely impossible to administer supply management. It was the most impractical step that the United States Department of Agriculture had ever taken. He found, as we shall find when we impose a quota on any agricultural commodity, that to survive farmers will grow something else. They will grow a commodity not under quota. When there is a surplus of that and a quota is put on, they will produce a third product.

So the program will be impossible to administer when we have put quotas on every commodity produced by agriculture. I do not see how this government can accomplish something that the United States government almost eight years ago confessed was impossible of accomplishment and impossible to administer.

Mr. Knowles (Winnipeg North Centre): Six o'clock.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I support this amendment and the suggestion to refer the bill back to committee. I want to add something that I do not think has been said. When a board has to make a decision regarding the domestic consumption and export potential of any given commodity, it will find that most commodities are being imported at a certain price. The example of the hon. member for Kent-Essex (Mr. Danforth) concerning celery could be repeated for other vegetables such as lettuce. The Americans claim they do not dump lettuce in Canada. Their production is three or four weeks ahead of

ours, and their peak production of lettuce coincides with our initial production.

• (6:00 a.m.)

Any government-established agency which could control total export and domestic production using supply management and other tools available to it would have to be in a position to make recommendations, probably in a very direct manner. Under the arrangements now existing, producers ask the government to place a restriction on certain imports and perhaps four or five weeks later restrictions are applied. The government, for its part, will need to exercise some overriding control beyond the power of the board.

I presume we have given the Dairy Commission the kind of control I have mentioned and that the commission exercises it in an organized way. The commission assesses the potential in the export market and in the domestic market and has imported directly in the last few years. It seems that the estimate made by the board has not placed us in a surplus position. I am using examples which are national in scope. I imagine the Wheat Board is armed with regulations which prohibit the importation of grain. There may be some arrangement under which, if we were short of wheat, particularly of seed for example, importation could be authorized. I am sure such a decision would be made by the board itself and not by virtue of tariff arrangements. The point I wish to make is that this question should be referred back for further consideration. It is not all black and it is not all white.

Mr. Major: Two more years!

Mr. Peters: Well, we have been waiting for this for a long time. I am sure the hon. member could mention a number of commodities whose production is not controlled and where imports are a major factor. Wine has been mentioned as an example, with particular reference to Quebec. The province of Quebec has established a Liquor Control Board. If an individual wishes to import wine from France he would find, if he made inquiries, that he is not allowed to do so because it is the board in Quebec which decides in what circumstances alcoholic beverages can be imported. The hon. member shakes his head. Maybe somebody, in some circumstances, can import directly. I suppose there is some importation from St. Pierre and Miquelon. But in the main the board which controls distribution also wishes to have some say as to what is imported in that field.

If the government does not see fit to accept the amendment put forward by the hon. member for Richmond (Mr. Beaudoin) it will still be obliged to give consideration to the idea behind it. Even in the field of eggs and poultry the problem raised is an immediate one. I am told that if the duty on eggs were to drop by a cent and a half, there would in a very short time be no egg producers in business in the province of Ontario. The industry is operated almost entirely behind a tariff preference of 1½ cents per dozen. If we gave four or five major companies the right to decide what could be imported, being competent businessmen they would no doubt say, "Let us raise the tariff some more, and the price is bound to go up still further." So the prospect of competition would not keep prices down at all.

The threat of importation is a deciding factor where prices are concerned. Whether the government accepts this amendment or not, it will not be able to avoid considering some type of control, whether indirect, based on a recommendation from the agency to the government, or more directly by a direction to the agency to regulate importation.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, since it is 6.10 a.m., I have no intention of delaying the House. I think however that this amendment is very important.

I have always been very much concerned about these imports that glut the market in Canada, and I shall not accept that the bill be referred to the committee, but on the other hand, it is very difficult to support this amendment. I think that most producers definitely need this bill, and it would be very difficult for me to support this amendment. However, before it is put to the vote, I should like the hon. Minister of Agriculture (Mr. Olson) to tell the House what will be the responsibility of the Marketing Council with respect to imports.

I certainly hope the marketing agency will have the necessary power to prevent the oversupply in our Canadian markets we have witnessed for a long time. An explanation on the part of the Minister of Agriculture could help me make up my mind about the amendment; but, in any event, the bill is of such importance that surely I could not agree to support the amendment, in view of the fact that the farmers expect its passage.

I would very much appreciate the Minister of Agriculture giving us his point of view on the potential advent on our markets of imported products and on the powers of the marketing agency with regard to those imports.

I trust the Minister of Agriculture will be able to enlighten us before the question is put.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I had hoped that the minister would accept the invitation of the hon. member for Joliette (Mr. La Salle), but I would still like, for no more than two minutes, and while supporting the motion of my hon. colleague from Richmond (Mr. Beaudoin), to explain once more than objectives which we are pursuing.

We do not want to control the import of farm products at all. This is not the point. What we want is for import licences which will be granted to compel importers to subject imported farm products to the same control as Canadian farm products.

Yesterday, I think—we can now say yesterday indeed!—my hon. colleague from Bellechasse (Mr. Lambert) gave a striking example in this connection concerning the import of wines and spirits.

We want the same thing in regard to imported farm products. We are not trying to prevent or limit imports of farm products, but we do not want imported farm products to come and invade Canadian markets at lower prices.

If imported farm products are not subject to the same regulations as Canadian farm products, this act will be void and useless. If the amendment which we are proposing is passed it will protect consumers as well as producers. We know that until now some importers have had

no qualins about importing certain agricultural products at the time when Canadian production was ready to be delivered on the consumer market.

That is why we want the bill to be referred back to the committee. We do not want the committee to consider the whole bill, but only one particular clause to amend it so that it be more efficient. Having read the minutes of the proceedings of the Standing Committee on Agriculture, I know that this suggestion has been made to the committee and to the government.

Since the minister did not react to that request we want the bill to be referred back to the committee so that it may consider that point which is very important for the producers as well as—

Mr. Corriveau: You never did attend the sittings of the committee and you never will.

Mr. Laprise: I would like to tell the hon. member for Frontenac (Mr. Corriveau) that I was not a member of that committee and that is why I did not attend the sittings of the committee. However I have read the minutes of its proceedings in order to be informed.

If the hon. member for Frontenac carries out his duties as well as I have done until now, he will not need to give me any advice.

Mr. Corriveau: You did not even vote tonight.

Mr. Laprise: Mr. Speaker, the hon. member for Frontenac blames me for not voting on the amendments submitted at the report stage. He is giving me the opportunity to justify my action. I did not vote because, in my view, Bill C-176, as introduced by the Liberal party, is the most anti-agriculture legislative proposal ever submitted until now—

Mr. Corriveau: That is an excellent statement.

Mr. Laprise: Mr. Speaker, that is why I did not vote to amend a bill that was bad initially.

I support my colleague from Richmond who asked that the bill be referred back to the Committee, so that consideration be given to the very specific proposal regarding the control of imports, in order to protect both the farmers and the Canadian consumers.

• (6:10 a.m.)

[*English*]

Mr. Frank Howard (Skeena): Mr. Speaker, I wish to make a few comments about the remarks of my very good friend, the hon. member for Crowfoot (Mr. Horner). I listened with a great deal of interest to what he said. I agree with him. That is the extent of the remarks I would like to make about what he said. I was very much impressed by the force of the remarks of the mover of the amendment, the hon. member for Richmond (Mr. Beaudoin), as well as the remarks of the hon. member for Kent-Essex (Mr. Danforth) and the hon. member for Timiskaming (Mr. Peters) about the effect that might flow from not having a provision of this sort in the bill.

While listening, I noticed that the Minister of Agriculture (Mr. Olson), who sometimes is not as attentive as at other times while in the House, in this particular instance on this subject matter was completely attentive. He was all eyes and ears. He listened to what every member said. Obviously, from the look on his face, I thought he was favourably impressed. Inasmuch as he had been invited to speak by two hon. members, although on one occasion he walked out, I expected that before this matter came to a vote the minister would inform the House of the position of the government on this particular question and not leave the matter without any government comment.

Because of the value this matter may be to farmers, I thought that if the minister did not say anything he was giving tacit and silent consent to the arguments without refusing to accept them. I hope the minister will make a few comments fully endorsing the proposition that has been put forward. If he has any reason why he cannot accept them, because of experience or otherwise, I hope he will let the House know where he stands.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my reason for rising to take part in this debate is very simple. I want it to be recorded that it is 6.20 a.m. This is an agriculture bill. I am a fisherman, and I am in the House at 6.20 a.m.

An hon. Member: Good for you, John.

Mr. Lundrigan: Take your time. I also want to send out a few copies of *Hansard*. When a fisheries bill is before the House, we want members from all parts of Canada to give us the same support as members from eastern Canada have given this agriculture bill. My friend who is with me this evening, the hon. member for Central Nova (Mr. MacKay), the hon. member for Edmonton Centre (Mr. Paproski) and other hon. members will want to take part in the debate as it continues. I hope we will not be here all night.

The Acting Speaker (Mr. Laniel): Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on the amendment of the hon. member for Richmond (Mr. Beaudoin).

• (6:20 a.m.)

[*Translation*]

Mr. Beaudoin, seconded by Mr. Lambert (Bellechasse) moved the following amendment:

That Bill C-176 be not now read a third time, but that it be referred back to the Standing Committee on Agriculture for further consideration of section 2(c).

[*English*]

All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

YEAS

Messrs:

Baldwin
Barnett
Beaudoin
Bell
Bigg
Burton
Cadieu
Carter
Code
Danforth
Downey
Forrestall
Godin
Grills
Gundlock
Harding
Hees
Horner
Howard (Skeena)
Knight
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lundrigan
MacKay
MacLean
McCutcheon
McGrath
McKinley
Marshall
Mazankowski
Nowlan
Paproski
Peters
Rondeau
Rose
Rowland
Schumacher
Scott
Skoberg
Southam
Stewart (Marquette)
Tétrault—46.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Blair
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Comtois
Corbin
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
Deakon
De Bané
Dupras
Duquet
Faulkner
Forget
Francis
Gendron
Goode
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hopkins
Kaplan
Laing (Vancouver South)
Lajoie
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Legault
Lessard (LaSalle)

Division

Messrs:

Lessard (Lac-Saint-Jean)
L'Heureux
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
Mahoney
Marchand (Kamloops-Cariboo)
Murphy
O'Connell
Olson
Orange
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stafford
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Trudel
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting—94.

• (6:30 a.m.)

Mr. Speaker: I declare the amendment lost. The question is on the main motion. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to and bill read the third time and passed.

• (6:40 a.m.)

Mr. Speaker: Mr. MacEachen, seconded by Mr. Benson, moves that the House do now adjourn. Is it the pleasure of the House to adopt the said motion?

Motion agreed to.

Mr. Speaker: Accordingly, this House stands adjourned until eleven o'clock today—in just a few hours.

Some hon. Members: Oh, oh!

On motion of Mr. MacEachen the House adjourned at 6.42 a.m.

HOUSE OF COMMONS

Friday, December 31, 1971

The House met at 11 a.m.

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

ADJOURNMENT OF SESSION

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there is standing in my name an adjournment motion covering the adjournment of the session. I thought it might be more clearcut, in view of the events that have happened since I put this motion on the order paper, to move another motion. If I had consent I would do it and allow it to be the basis for discussion.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I gather that in effect the minister is seeking leave to move a motion under the provisions of Standing Order 43. I may surprise him by saying we are going to consent, but we hope he will remember that and return the favour some time.

Mr. Speaker, the President of the Privy Council has been good enough to show to some of us the terms of his substitute motion. While we may have something to say about the substance of it, the essence of it is the same as the one on the order paper and we have no objection to the minister being allowed to present the substitute motion.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I move:

That, when the House adjourns at the conclusion of this day's sitting, it shall stand adjourned until a time to be fixed by Mr. Speaker, after consultation with the government, when the House may meet for the purpose of dealing with any subsequent proceeding on or the giving of Royal Assent to Bill C-176, An Act to Establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products.

That, after the giving of Royal Assent to the said bill or in the event the House does not meet for that purpose, the House shall be adjourned or stand adjourned, as the case may be, until February 16, 1972, provided that at any time prior to that date if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires that the House should meet at an earlier time during the adjournment, Mr. Speaker may give notice that he is so satisfied, and thereupon the House shall meet at the time stated in such notice, and shall transact its business as if it had been duly adjourned to that time;

And that, in the event of Mr. Speaker's being unable to act owing to illness or other cause, the Deputy Speaker or the Deputy Chairman of Committees shall act in his stead for the purpose of reconvening the House.

Mr. Speaker, if I may say a word or two with regard to the adjournment motion itself, the motion provides that when the House finally adjourns, so to speak, it will stand adjourned until February 16, 1972. However, we are aware that the other place is at the present time dealing with Bill C-176,—

Mr. Knowles (Winnipeg North Centre): It may have finished with it by now.

Mr. MacEachen: —and we are not certain as to when the other place will complete its deliberations on this bill. Really, therefore, the first paragraph of the motion provides for that contingency and permits Your Honour to summon the House for the purpose of giving Royal Assent to Bill C-176 or any other proceeding that may be required as a result of the deliberations in the other place. If the other place should complete the consideration of the bill today, we would have Royal Assent today and following that Royal Assent we would stand adjourned until February 16, 1972. The motion provides that the Speaker may summon us for Royal Assent whenever it may occur, today, Monday or on another date.

• (11:10 a.m.)

If I may make another comment with respect to the time that is provided in the motion for an adjournment period, this session of Parliament has been the third longest in history.

Mr. Bell: We did not break a record, then.

Mr. MacEachen: As of December 31, 1971, the number of sittings in this session was 242. It may still go into three calendar years, but we are not certain. If that is the case, it will be the first session since 1940-41-42 to straddle three calendar years. Perhaps we will avoid that record breaking second first, so to speak.

I have looked over the results of this session and I believe hon. members can be satisfied that a substantial amount of government business has been completed. We have completed 58 government bills in this session. As I look over the list—I am sure that my memory is somewhat like that of other hon. members—I revived in my own mind the variety and the importance of the legislation that has gone through the House, including the Canada Shipping Act, the Investment Companies Act, the Tax Review Board Act, the Co-operative Associations Act, the Packaging and Labelling Act, the Unemployment Insurance Act, the Veterans Pensions and Allowances Act, the Regional Development Inventives Act amendment, the Canada Development Corporation Act, the Textile and Clothing Board Act, the Prairie Grain Advance Payments Act amendment, the Pilotage Act amendment, and so on.

It has been a very heavy session, and it may be of interest to note that three of the bills that came before the House occupied a total of 87 days. We know that the tax

reform legislation itself was before the House for 50 days, the government organization bill was before the House for 23 days, and the Public Order Act was before the House for 14 days. I regret somewhat that that large number of days was spent, for example, on the Government Organization Act and on the Public Order Act. I feel, however, that probably the 50 days spent on the tax reform legislation was justified in view of its size and importance.

Aside and apart from the rather long period spent on these two other bills, government organization and public order, the House did proceed with dispatch to complete its consideration of public bills. I might mention that probably the reason so much time was spent on these two latter bills, namely government organization and public order, was that for the first time the House had in a long time the luxury of dealing with bills in the Committee of the Whole. It seems that the Committee of the Whole was so attractive to hon. members that they left it only with reluctance and after a long period of debate. The activity in committees was substantial as well. Studies were conducted by the various committees of such matters as unemployment insurance, election expenses, security in the galleries, environmental pollution, the constitution, the broadcasting of Parliament, foreign policy, and the financial structure of the CNR.

I make these preliminary observations in order to remind the House that hon. members have laboured for a long period of time and, it seems to me, have laboured productively, painstakingly, and with considerable results.

It should also be mentioned that the House was recalled in September, which had not been according to original planning. It was felt that that month might be devoted to government planning and preparations for a future session. But in view of the desire of the government to complete and to provide additional time for consideration of the tax reform legislation, it was decided to recall the House in September. This ought to be kept in mind in considering the time provided for in the motion for the adjournment period.

Yesterday I was asked to go out in the corridor and reply to questions asked by newsmen as to the length of the adjournment period. I was asked why we had put on the notice paper a provision for a holiday of six weeks. Of course, I take exception to that description of what is involved in this motion. Hon. members know perfectly well that after this long period of activity, and at times very strenuous activity, and particularly strenuous in the last six weeks, it is reasonable for hon. members to be entitled, like other human beings, to take time off to recover their energies, their strength and their spirit.

Some hon. Members: Hear, hear!

Mr. MacEachen: And I hope that, without apology, hon. members will take advantage of the time available for that very purpose. But that is not the only purpose. Hon. members are not only persons who must sit in the House of Commons in Ottawa. They are, in addition to that, representatives of the people of Canada. Each of us in this House is not a bureaucrat, is not someone who occupies a desk in Ottawa, but a person who is elected in a constituency, with electors who want to have some close contact with their members of Parliament.

[Mr. MacEachen.]

Some hon. Members: Hear, hear!

Mr. MacEachen: I know in my own case, Mr. Speaker, I feel somewhat exploited because I have been pinioned to this desk in this House of Commons for weeks and months, and have been able to go to my constituency only on week ends. I look forward to spending a part of this period working in my constituency, and renewing my knowledge of and association with the problems and the people of that distinguished riding of Cape Breton Highlands-Canso.

But in addition to that, the government will be commencing its program of meetings in mid-January, and it will continue its regular activities in committees of cabinet, and in cabinet itself, in preparation for the next session, in planning for the legislative program, in preparing the Speech from the Throne, and in examining the problems and the policies that are obviously the responsibility of government at the present time. Therefore, Your Honour, I feel that this motion, understood in the proper context, in the context as I have explained it, is reasonable and ought to commend itself to the House and to the people of Canada.

For my own part, before I sit down, I would like to thank the opposition House leaders, the hon. member for Peace River (Mr. Baldwin), the hon. member for Winnipeg North Centre (Mr. Knowles), and the hon. member for Lotbinière (Mr. Fortin) for the great amount of time they have put into the work of this session of Parliament. Much of the work that was done, especially on the two bills that we have just completed, was invisible but it was work that required the co-operation of all parties in the House and that resulted in the completion of these bills on a reasonable schedule.

• (11:20 a.m.)

I thank hon. members also for seeing the Business of the House through until about seven o'clock this morning and coming back so fit and fresh and so numerous—especially on this side of the House.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I am sure that everyone in the House has enjoyed listening to and watching the gymnastics of the government House leader but it is clear that he just sprained his wrist by patting himself and the government on the back for the great job they claim to have done during the session.

Some hon. Members: Hear, hear!

Mr. Hees: So that there will be no misunderstanding, government members will note that I said "claim" they have done. Actually, they have done a lousy job and we all know it. Let's have no fooling around about that.

In the self-congratulatory oration that we have just listened to, the government House leader claims that Parliament has put through a record amount of business. He seems to forget that just about two weeks ago this government claimed that because the opposition had held up the progress of the business for so many weeks, the government could not get ahead with anything so they had to impose closure. Mr. Speaker, they cannot have it both

ways. What we are discussing today is a proposal for this House to be adjourned for seven weeks.

An hon. Member: Six.

Mr. Hees: It is exactly seven weeks if you want to get out your calendar and count the days. That is about as accurate as any of you birds have ever been in this session.

It would be perfectly satisfactory for this House to adjourn for seven weeks if the matters for which this government and Parliament are responsible were in satisfactory condition. But, Mr. Speaker, I can assure you and the public of Canada, and I can assure this government, that these matters are not close to being in satisfactory condition.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, we in the opposition feel that we were sent here to do a job.

An hon. Member: Where are they then?

Mr. Hees: In the summer we had a recess of no less than ten weeks and we became well rested.

Mr. Speaker: Order, please. I apologize for interrupting the hon. member for Prince Edward-Hastings, but it will be difficult for any of us to hear the hon. member as there are too many interruptions. He should be allowed to make his speech.

Mr. Hees: Thank you, Mr. Speaker. It doesn't bother me at all. This rabble gets into the act all the time. It is all very enjoyable and does not bother me a bit.

This government adjourned Parliament for ten weeks this past summer. We became well rested. We went to our constituencies and worked, as the Prime Minister (Mr. Trudeau) knows. He came down to visit my constituency, and we had a most charming day at the Picton fair, as he will remember. We have received a generous pay raise from the people of Canada for the work we do here, and we feel that the two and a half months holiday we had this past summer, plus a normal three-week holiday for Christmas, plus the usual 12 days we get off at Eastertime would be adequate holidays for any Member of Parliament or any member of the government; and, having been a member of a government as well as a Member of Parliament, I speak with some experience.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, may we have order, please?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member said a moment ago that interruptions do not bother him. They might bother me. Perhaps the hon. member might be given a chance to continue his speech.

Mr. Hees: Thank you, Mr. Speaker. I, too, believe in decorum. What are the matters that this Parliament and government should be dealing with after we have had a three week recess and come back here on about January 21 instead of February 16? The most important matter that this government and Parliament should deal with is the question of unemployment, which has been on the shoulders of this government for several years now. We have heard assurances from the Minister of Finance (Mr. Benson) and the Prime Minister month after month, for the past 12 months at least or longer, to the effect that unemployment will immediately begin a downward trend. As you know and I know, Mr. Speaker, this trend simply has not developed. Unemployment now, for this time of year, is at an unprecedented level. Approximately 6.7 per cent of the work force, or 550,000 Canadians, are unemployed. What is more, there is every indication that as this year unfolds, because this government has not acted in a progressive and practical way to solve this problem, unemployment will stay as high as it is or even get higher in the months ahead.

Some hon. Members: Shame.

Mr. Hees: That is a disgraceful situation for any government to admit to. Unfortunately, this government must admit to it.

Mr. Bell: That holds true for most people, except for the Prime Minister's staff. That staff remains large.

Mr. Hees: You might ask, Mr. Speaker, why does Parliament have to come back? Why should we not leave the government here, for the next several weeks, and let it try to work out this situation. The answer is, they have been trying to work out this thing for several years and have come up with absolutely no answers at all. Unemployment has continued rising and the government has brought out weak excuses month after month. None of them hold water. More and more unemployed are added to the rolls, and so the sorry story goes. It is therefore necessary for the members of the opposition to be back here, telling the ministers of this government what they should do.

Some hon. Members: Oh, oh!

An hon. Member: And where will you be?

Mr. Hees: You just bring us back here on January 21, and you will see where we will be. You will hear what you must do about unemployment, because we will tell you. We will put practical programs before you for you to undertake, because you people do not seem to understand what you must do.

Some hon. Members: Hear, hear!

Mr. Hees: Let us take a look at this matter of unemployment; I will tell you what the opposition would do to force unemployment down if we were the government. First, Mr. Speaker, we must ask, what causes unemployment?

Mr. Bell: Liberals do.

Mr. Hees: Unemployment is caused when the production of goods in Canada is not at the level it should be. And what causes production to fall? It is the lack of sales of goods. Those are simple things to remember. What do we need to do to increase employment? We must increase selling Canadian goods. It is as simple as that. That is what must be done. We must sell more Canadian goods, and I am going to tell you how to do that.

• (11:30 a.m.)

There are two things needed to increase the sale of Canadian products. First, you need an expanded sales

effort. Second, you need a first-class program to increase productivity in this country, to lower costs, lower selling prices, make our products more competitive against foreign products selling in the Canadian market and against Canadian products selling abroad. What has this government done to bring about an improvement in trade in those fields? It is a very simple answer, Mr. Speaker. This government has done absolutely nothing.

I am going to tell you why it is very clear the government has done absolutely nothing. As a start, they only have to look at the export figures for 1971. They will see that our exports for this year have increased by a mere and disgraceful 5 per cent. That is all. In order for our export industries to carry their load of providing the additional jobs that our rapidly growing work force needs each year, exports in this country must increase by an absolute minimum of 10 per cent a year. That is the absolute minimum. If they are not increasing by that amount, they are not producing the jobs that the people who should be employed in those industries should be getting year by year. It is as simple as that.

The most important part of our exports, of course, are the exports of fully manufactured goods. The breakdown between our manufacturers of unprocessed products, semiprocessed products and fully processed products is not available. It is in the process of being produced at the present time. Last year our increase of fully manufactured products was a very small percentage of the whole total. Of the increase of 15 per cent overall last year, the increase of unprocessed products was 31.8 per cent.

Mr. Speaker: Order, please. I have to interrupt the hon. member. I suggest to him that although I appreciate what he is attempting to do, the intent of his speech is obvious, obvious to the Chair in any event. He must make an effort to relate his remarks to the motion before the House which is a motion to adjourn the House. I know it is possible to relate an adjournment motion perhaps to a trade situation, if the hon. member wants to call it that. We cannot have a general debate on unemployment, a general debate on trade, and a general debate on every single subject of general interest. I think hon. members have a responsibility to make an effort to relate their remarks specifically and clearly to the motion before us.

Mr. Hees: Thank you, Mr. Speaker. Naturally, I quite agree with what you say. I was simply trying to give this government something to go on in the next seven weeks when they are not going to have the benefit of our advice in Parliament.

Some hon. Members: Hear, hear!

Mr. Hees: I am prepared, either here in my place or by going to talk to any of them, to outline exactly what should be done and what will work from a practical point of view. I quite agree that perhaps this is not the time to say it. I have given enough indication of the problems of fighting unemployment that face this government, problems that have not been faced by this government that need to be dealt with in the next seven weeks. I do not think there is any question about that.

There is also the question of preparing a program to fight inflation if inflation should start to rise even more rapidly than at the present time. This government has no program to combat inflation. Last time, their program was a joke. Management and labour laughed at it. The government brought in guidelines with no teeth in them. Management and labour laughed and nothing was done. The program was a complete failure.

It is obvious that in bringing in this motion for a seven week adjournment, all this Prime Minister and this cabinet want to do is get the opposition off their backs. The Prime Minister has a great disregard and disrespect for Parliament. He does not like us. He does not want us here. We are nobodies. We are troublesome to him. We bring him into the House each day and make him answer embarrassing questions. He does not like that.

It was interesting hearing the account of what the government had done during the past three and a half months. Everything was mentioned except what the government has done to solve the case of the leaks of six cabinet documents in six weeks and all they are going to do in the future. We look forward to hearing about that when we return. Sending us, people who are paid to come here, work and to do a job in Parliament, away for seven weeks—

Mr. McIlraith: Mr. Speaker—

Mr. Hees: I will answer your question later, George. We are paid to do a job in Parliament. We should be back here on January 21 advising the government, debating with the government and seeing that the government does its job, not pushed aside as the nobodies which the Prime Minister considers us to be, allowing him and his colleagues to be simply rid of us and away from all this embarrassing questioning.

When we do meet on February 16, you can imagine what kind of a program the government will have. There will be more of the vague generalities and the ideas away up on cloud nine that never come down to earth and never get into practical form. That is the only thing we will see. This country deserves an awful lot better than that. I ask the government to reconsider. Have some conscience about your duty to the country. Call us back in three weeks and we will show you what this country needs to put it on its feet.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member may be deemed to yet have the floor. He will allow the hon. member to ask a question. Is this agreed?

Some hon. Members: Agreed.

Mr. McIlraith: Mr. Speaker, I listened to the hon. member's speech with some care. When he was referring to the duty of hon. members to be here this morning—

Mr. Hees: Not this morning.

Mr. McIlraith: Was the hon. member referring to the 11 out of 12 of the frontbenchers in his party who are absent this morning or was he referring to his leader who has been away during all the important stages of the debate on the Farm Marketing Bill.

Some hon. Members: Hear, hear!

Mr. Hees: Mr. Speaker, I am very glad the hon. member asked that question because you can see that members opposite have suddenly become proud of their improved attendance in the House. Do you know what brought that about? It was the day we licked them in a vote.

Some hon. Members: Hear, hear!

Mr. Hees: We beat them 44 to 42. It was only as a result of rubbing their noses in it that the Prime Minister and his cohorts are sitting here. They are so excited about this new attendance they want everybody to know about it. The hon. member asked why some of our members are not here this morning. The answer is the mismanagement of the operations of this House. This House was supposed to be adjourned last night to allow our members to make plane reservations—

Some hon. Members: Oh, oh!

Mr. Hees: The government should bring us back on the 21st, but it does not have the guts to do that. Bring us back and we will tell you what to do. We will put you in your place and we will get this country moving. Any more questions?

• (11:40 a.m.)

Mr. Frank Howard (Skeena): It is always a great pleasure to listen to the hon. member for Prince Edward-Hastings (Mr. Hees). After listening to him this morning, I really consider him to be one of the most progressive and enlightened members of this House—now that he is in opposition. I am sure we all wish he would have been as forceful and dramatic and interesting when he was Minister of Transport—

Some hon. Members: He was.

Mr. Howard (Skeena): —and when he was Minister of Trade and Commerce.

Mr. Hees: That was the only time your riding ever had anything done for it by Transport, and you know that damned well. I even put up with the hon. member's company for a full day in his riding to get something done for him.

Mr. Howard (Skeena): It is difficult for me to hear those pearls of wisdom. But he was saying, in effect, "those were the days". The night of the long knives, I think it was called, when the hon. member was so unkind to the person who at that time held the office of Prime Minister.

Mr. Speaker: I assume the hon. member's remarks have been introductory. He should give some thought to addressing himself to the motion before the House.

Mr. Howard (Skeena): I have every intention of doing so. I was a little diverted at the outset. We have listened to the President of the Privy Council (Mr. MacEachen) give a recitation of the government's accomplishments, and the thought crossed my mind, knowing that the hon. gentleman is a modest and humble sort, that he left out a few things which ought to be placed alongside that record. Some of them Parliament learned about by accident and had no hand in developing or shaping. I am thinking in terms of the establishment of a secret police force in the office of the Solicitor General, one of the accomplishments which the President of the Privy Council might have added to his list. I think, also, of the leakage of the Gray report, such a worth while document to make public, and the fact that so far no one has been able to find out who was responsible for drawing the attention of the general public to the more valuable parts of the report which was being kept secret by the government. The hon. gentleman might have listed the fact that the government eventually got around to making payments under the Temporary Wheat Reserves Act. There are many things of that sort he might have included; I do not wish to discuss them at great length.

Tomorrow sees the commencement of January, and of another year, too. This is appropriate. It may help us to understand how it is that the government can play both sides, take two courses and get the best of two worlds. January, Mr. Speaker, was named after one of the ancient gods of Rome called Janus. He was a god with two faces—he could see what had already happened and also, what lay ahead. It is because the government has two faces that it is able to say the things it does and get away with it. Surely, what we have heard this morning from the President of the Privy Council is not what we have been listening to from the government for so long, namely, that it could not get business through this House, that there was obstruction, that there was filibustering, that closure had to be brought in to get something done. It is because the government has two faces that it is able to say these things and get away with it. The arguments used about the obstruction, about delay, about putting blocks in the way of what the government was proposing to do in the public interest were proven false and phony by the President of the Privy Council himself when he talked about the substantial amount of government business which had passed through Parliament. I wonder whether he was, in fact, leaking the speech which the Governor General usually makes at the close of a session of Parliament.

I wish to take a few moments in which to indicate why I believe the government is phony and insincere in its attempt to deal with the problems confronting the Canadian people. In doing so, I propose to draw up a list somewhat similar to that which the President of the Privy Council read out, a list of items which the government obviously considered to be of extreme importance when it placed them upon the order paper but which have not been dealt with. There are quite a number of these items ranging over three pages. I shall not mention them all, because some of them are minor and technical, but I shall call attention to those measures which were considered to be of real importance by the government. If hon. gentlemen opposite really had any concern about the public business they would see that Parliament was brought back long before February 16 in order that it could deal with items which the government only a few months ago said were important.

Look at item No. 41, the report stage of an important piece of legislation relating to the Northern Canada Power Commission Act, a subject which has been examined at great length by the Committee on Indian Affairs and Northern Development. The bill has been reported to the House and a number of amendments proposed in an attempt to make government legislation better than it was

originally. This item has been on the order paper for a long period but it has now been thrust aside by the government, not considered to be of any great value at this stage. Another item is the order providing for the resumption of the debate on the report of the Special Committee on Environmental Pollution. The chairman of that committee, as we know, attempted to have this report adopted, its members having unanimously expressed concern with regard to oil tanker routes off the west coast, but this attempt was scuttled by the very President of the Privy Council who today lauded the government's achievements. This is another matter which was trust aside as of no value.

Then again, ever since June there has been on the order paper the report stage of a bill to amend the Canadian Wheat Board Act, another measure of concern and interest to western agriculture. This, too, has been pushed aside. Valuable as it might be to agriculturists in western Canada and to the public generally, the government seeks to sweep it under the rug. One might well ask about the position of Bill C-244 relating to grain stabilization which the government considered such a valuable piece of legislation and then subsequently withdrew. What about this? Is the government not prepared to present that measure again to the House? Is it not concerned about western agriculture? This relates to a field of government policy which only a few months ago was considered to be so valuable. Now, it is of no concern whatever.

• (11:50 a.m.)

A very important question about which much has been said, both in terms of white papers and the like, is the extremely important bill pertaining to the promotion of the sale of cigarettes, a matter concerning the health of everyone in this nation and a matter which the government and the Minister of National Health and Welfare (Mr. Munro) as long ago as June 10 said was so important that it should be placed on the order paper at that time for consideration. Now, there is no time for that. Certainly, these are matters which could be dealt with if we met in the middle of January instead of in the middle of February. These are matters which are very important to the health and well being of the people of this nation. There are the amendments to the Criminal Code, the Crown Liability Act and the Official Secrets Act which have also been considered by the Minister of Justice (Mr. Turner) to be so important that he placed them on the order paper at the end of June. Now, there is no attempt whatsoever to proceed with them or to consider that they are worthwhile and valuable amendments. We want to know why that cannot be done, say, in the middle of January. It may be that the Minister of Justice is losing his influence in the cabinet. It may be that his position has been relegated to a less prominent one, so that he is unable to have his way in getting the valuable things he thinks should be done before the House and before cabinet.

The Minister of Labour (Mr. Mackasey), of course, has had the amendments to the Federal Labour Code relating to collective bargaining on the order paper since June 28. At the time of introduction, there was great fanfare about this being a most important piece of legislation. Now, why can it not be dealt with in the middle of January instead of in the middle of February? Does the Minister of Labour not have any influence with his colleagues from Quebec or with the Prime Minister? He shakes his head. Obviously, either he has no influence or no interest in proceeding with this particular matter. Surely, that is one item which could have been proceeded with around the middle of January instead of being pushed aside. Perhaps the Minister of Labour, having made such a fantastic mess out of the operations of the unemployment insurance commission, is not interested in appearing before Parliament to try to tell the general public how that mess can be straightened out, apart from saying occasionally that he has Bell Telephone tapping the poles to see whether or not they are being used to the fullest possible extent. But that is an important matter. If the Prime Minister who apparently runs the show had any interest in it he would have Parliament back in operation again by the middle of January in order to deal with these matters.

There is the act spuriously called one to promote competition in the name of the Minister of Consumer and Corporate Affairs (Mr. Basford), which was of such great concern and interest and such a valuable piece of legislation that it, too, had to be set down for second reading on June 29, six months ago. We have heard nothing about that since that time. It may be of course, as we know, that the Minister of Consumer and Corporate Affairs has been sucked in by the business community and is going to write the legislation to suit the Canadian Manufacturers Association rather than the general public, but that is speculation on my part. There is the matter of family allowance payments about which there had been some great concern just a few weeks ago which now is of no interest to the government. There is the matter of the readjustment of representation in this House, the question of the promised day of debate on abortion and the matter of election expenses which has been hanging fire for the last six or eight years, a subject matter which the government said was so important a couple of years ago that it would not let the committee on Privileges and Elections deal with it because the government wanted to deal with it as a special item. That, too, has been buried, pushed aside and ignored.

In conclusion, Mr. Speaker, I think I might simply say that so far as this government is concerned, in indicating its interest in the public welfare of Canada, the fact that it has now decided it wants to embark on a seven-week vacation to do whatever it feels desirable in order to get out of the way of Parliament, indicates that it is as phony as the proverbial three-dollar bill.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, I would like to be somewhat briefer than the two hon. members who spoke before me. First, I would like to express my feelings on this December 31, 1971. I think it is utterly stupid that I should have to speak today, considering the list of records which the minister enumerated a while ago. Among these, it seems that he forgot to mention some very distressful events, including the now famous War Measures Act. Mr. Speaker, I wish I did not feel sad at the end of this year 1971, on the very eve of 1972. However, I think the minister carefully avoided recalling extremely sad events which took place in the course of the session ending today.

There are no indications in what the minister said that would prompt us to look forward to necessary changes, the most important which of, in my opinion, would be to have the Standing Orders of the House in step with a Prime Minister who is believed to be young and with it. As a matter of fact, among the changes to be made would be the removal of this stupidity whereby no one knows when sessions begin and end. For several years, I have noticed that in Quebec's provincial legislature—now the National Assembly—as well as in the House of Commons, every succeeding government has been using this little game of blackmail to have bills adopted in a hurry whether they be as monstrous as Bill C-259 or as important for the future of the country as Bill C-176.

• (12 noon)

Mr. Speaker, in my opinion this little game, this questionable tradition still being observed by the government in 1971, is, as I said before, stupid and foolish. And I hope that with the beginning of a new year this badly needed reform of our parliamentary system will be brought about. I also hope that definite dates will be set for the opening and adjournment of sessions and that we will no longer see this ridiculous trick to which governments have resorted up to now. And the dates could be known if there were more rational organization. We would not be witnessing the woeful sight of all those empty benches and the tense faces of hon. members who sat until seven o'clock this morning.

Mr. Speaker, in spite of any assertion to the effect that such a state of things is normal, I repeat that it is absolutely not so. If the government program had included such elementary reforms as methodical ordering and organizing of sessions, if the government knows exactly how long it should take to deal with each bill to be passed during a session, why are we not informed right from the beginning of the session of the order of introduction of bills. It is an elementary reform. And this is a just society! Let us start out by having a just Parliament!

How ridiculous it was, Mr. Speaker, to see all those votes being railroaded through last night. The government voting machine was operating to capacity.

How many government members knew what they were voting for? How many realized that by supporting some of the amendments proposed for Bill C-176 they were voting against this country's farmers? It was not even beneficial, from an electoral point of view, to vote against some of yesterday's amendments. Nevertheless, it was done. Government members as a whole are a voting machine.

We were expecting much better. If the government members are satisfied—I repeat here the views of the people of my riding, views which are shared, I am sure, by all Quebecers and even all Canadians—I would say that when we met our constituents during the Christmas holiday while the Prime Minister was welcoming his Messiah, while we were in our families, our constituents told us: It is crazy, it is stupid! Why do you have to sit between Christmas and New Year?

Why do they make us do that, Mr. Speaker? Because we know very well that in the eyes of the public the opposition is always responsible for delays. The opposition never but never fails to delay the work of the House. And once again, the Prime Minister, the government, the cabinet are playing the game. Mr. Speaker, it is intellectual abuse to act this way to make the population believe that the opposition delays the work. And the government tells the public: Since it is evident that the House will not reconvene until February 16 and that we will have elections in April, the opposition has forced us to impose the gag and to sit on December 31.

I believe, Mr. Speaker, that if we had a really efficient parliamentary organization, such a situation would not happen and the first measure that could give us that just society which the right hon. Prime Minister is boasting about is the one I just mentioned. He would have shown by this that he was not in favour of partisan politics, and that he put all hon. members on an equal footing whether it was the member for Champlain or for Mount Royal.

All here are equal. By eliminating political partisanship from Parliament, we would witness the real dawn of the advent of the just society since, as representatives of the whole population of this country, we are called upon to realize the parliamentary reforms which are essential if we are to perform well. Therefore I blame the Government for having failed to do it.

What does that mean? Once again the "tax machine" has been set in action. It is always the same thing, Mr. Speaker! In spite of our efforts, our explanations, the truly positive solutions we offered, nothing can be done; the only solution is the "tax machine", and all the laws that have been passed, not to say forced through, all lead to fiscal reform. To what purpose? For the purpose of taxing in order to get an extra billion dollars or two.

Mr. Speaker, many things should have been done, and they were not. Some things were done, and they should never have been done.

Now, since this was a turning point in this session and since it will probably be the main point that will stay in history, I come back to the famous war measures. Upon their passage, the government had us believe in an apprehended insurrection, which was untrue! The government got carried away in order to make some political hay. History, Mr. Speaker, will have its revenge on that!

Another reform omitted by the minister in his "honour list", Mr. Speaker, is that of the Senate. What are we doing here this morning?—We are waiting. What are we waiting for?—We are waiting for the hon. gentlemen in the other place to send the bill back to us, such as it was referred to them, since nothing will be changed in it. This ridiculous waiting prevents us from being with our families on New Year's Eve. What are we waiting for? What changes do the senators want to make in Bill C-176?—We know! It is a ritual, always the same one. We are waiting, and we expect the people to think that this is serious.

Mr. Speaker, I object to such procedures. Normally, I had no intention of coming back to Ottawa this week because I wanted none of this stupidity but I told myself: I must go and tell them that this is stupid because maybe no one ever thought of doing it.

Mr. Speaker, we have been waiting since 1968 for the Messiah and the coming of the just society and what do we get? Justin!

[*English*]

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

Division

Some hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the said motion?

Some hon. Members: On division.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division:

• (12:10)

YEAS

Messrs.

Allmand
Andras
Barrett
Béchard
Beer
Blair
Blouin
Borrie
Boulanger
Buchanan
Caccia
Cafik
Clermont
Comtois
Corbin
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Danson
Deachman
De Bané
Drury
Dupras
Duquet
Forest
Forget
Francis
Gendron
Gillespie
Godin
Goyer
Gray
Guilbault
Hopkins
Howard (Okanagan Boundary)
Jamieson
Lachance
Laflamme
Laing (Vancouver-South)
Langlois
Laniel
La Salle
LeBlanc (Rimouski)
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
L'Heureux
Loiselle
Macdonald (Rosedale)
MacEachen
Mackasey
McBride
McIlraith
McNulty
Mahoney
Major
Marchand (Kamloops-Cariboo)
O'Connell
Olson
Ouellet
Pelletier
Penner
Perrault
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Robinson
Rochon
Rock
Roy (Laval)
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stewart (Okanagan-Kootenay)
St. Pierre
Thomas (Maisonneuve-Rosemont)
Trudeau
Trudel
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whicher
Whiting—86.

NAYS

Messrs.

Alkenbrack
Baldwin
Barnett
Bell
Burton
Code
Crouse
Danforth
Downey
Forrestall
Grills
Gundlock
Hees
Howard (Skeena)
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Bellechasse)
Lambert (Edmonton West)
Latulippe
McGrath
McKinley
Marshall
Mather
Mazankowski
Nowlan
Paproski
Rondeau
Rowland
Scott
Skoberg—30.

• (12:30 p.m.)

Mr. Speaker: I declare the motion carried.

Mr. Cafik: On a point of order, Mr. Speaker, since we are imbued with the yuletide spirit, I wonder if it might be fair to allow the opposition to vote twice, in view of their small numbers.

Mr. McGrath: What are you talking about?

Mr. Baldwin: On a point of order, Mr. Speaker, let it be recorded that almost 50 Liberals are absent and did not take part in the vote.

Mr. Speaker: Is the hon. member for Regina East rising on a point of order?

Mr. Burton: Mr. Speaker, I know that the President of the Privy Council (Mr. MacEachen) wants to rise to move a motion dealing with the suspension of sitting. I wonder if he would mind delaying moving his motion until the next item on the order paper has been called, in order that I might introduce a bill standing in my name on the order paper.

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

PUBLIC SERVICE EMPLOYMENT ACT

AMENDMENT RESPECTING DISPLAY OF POLITICAL SIGNS AT RESIDENCE

Mr. John Burton (Regina East) moved for leave to introduce Bill C-277, to amend the Public Service Employment Act (political partisanship).

An hon. Member: Explain.

Mr. Burton: Mr. Speaker, the Public Service Employment Act prohibits federal civil servants from taking part in most political activities. However, it is made clear that they have the right to attend political meetings, contribute funds to candidates or parties and apply for leave to run for nomination as a candidate. My bill would extend these rights to include the right to erect posters or signs at one's place of residence.

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

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I move:

That the sitting be suspended this day until the call of the Chair.

I have in mind that Royal Assent is possible later this day—

Mr. McGrath: They would not dare.

Mr. MacEachen: —and I am making this suggestion, which Your Honour might put in proper form so that it will be possible for us to reassemble, in the event that there is Royal Assent.

Mr. Speaker: The proper procedure would be to inquire if there is agreement.

Some hon. Members: Agreed.

Mr. Baldwin: On division.

Mr. Speaker: The sitting of the House will stand suspended until the call of the bells.

I might indicate to hon. members that if they care to join the Speaker in room 16, I will be delighted to extend to them my welcome.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, may I be permitted, publicly in the House, on behalf of my party to wish Your Honour a very Happy New Year and to say how much we have enjoyed participating under your wise and intelligent leadership, a leadership exercised despite the problems you have had to overcome.

Some hon. Members: Hear, hear!

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may we of this party join most heartily in this wish to you and Madame Lamoureux, and we extend it also to all members of the House.

• (12:40 p.m.)

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, it is with pleasure that I extend to Your Honour our best wishes for a Happy New Year and congratulate you for you have shown skill and equity in presiding over House proceedings.

I also wish to take this opportunity to wish a Happy New Year to all our colleagues in the House.

[*English*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, may I add my remarks of joy, and say that I am satisfied because at last the hon. member for Peace River (Mr. Baldwin) has taken a positive and constructive initiative this morning. May I add my good wishes to his.

[*Translation*]

The time has come, Mr. Speaker, to wish you a Happy New Year and as we French Canadians say "le paradis à la fin de vos jours". I think you will have earned it after the hell we put you through several times during the session now coming to an end.

I should like also, on behalf of all my colleagues in the Liberal party, to wish a Happy New Year to all hon. members.

[*English*]

Mr. Speaker: I thank hon. members for their very kind comments, which I appreciate most sincerely. May I extend to hon. members my best wishes for a happy, prosperous and successful new year. I extend this wish to every member individually, and I thank each member individually for the kindness shown to the Chair at all times. The job of the Speaker is not always easy.

[*Translation*]

I wish to thank my colleagues for their kindness and all the good things they have said about me. May the New Year bring them joy, health and happiness. I invite them anew to come and give a bit more tangible expression to the mood we are in now.

SITTING SUSPENDED

At 12.44 p.m. the sitting of the House was suspended.

• (6:45 p.m.)

SITTING RESUMED

The House resumed at 6.49 p.m.

Mr. Speaker: Order. It being after five o'clock p.m., and pursuant to the order adopted this day, this House stands adjourned until it appears that the House should meet for the purpose of giving royal assent to Bill C-176 or that other circumstances under the provisions of the order made earlier this day dictate that the House should meet.

At 6.50 p.m. the House adjourned, pursuant to special order.

HOUSE OF COMMONS

Wednesday, January 12, 1972

The House met at 11 a.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-176, an act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products, without any amendment.

THE ROYAL ASSENT

A message was delivered by the Gentleman Usher of the Black Rod, as follows:

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

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

• (11:10 a.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An act to establish the National Farm Products Marketing Council and to authorize the establishment of national marketing agencies for farm products.

Mr. Speaker: Pursuant to order made Friday, December 31, 1971, this House stands adjourned until February 16, 1972, at 2 p.m.

At 11.21 a.m. the House adjourned, pursuant to special order.

HOUSE OF COMMONS

Wednesday, February 16, 1972.

The House met at 2 p.m.

PROROGATION OF PARLIAMENT

Mr. Speaker: I have the honour to inform the House that I have received the following communication:

Ottawa, February 14, 1972

Sir:

I have the honour to inform you that the Right Honourable Gerald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber at 2 p.m. on Wednesday, February 16, for the purpose of proroguing the third session of the twenty-eighth parliament of Canada.

I have the honour to be,
Sir,
Your obedient servant
Esmond Butler
Secretary to the Governor General

Pursuant to the message just read, the arrival can be expected momentarily of the messenger from the other place. It is my understanding that the practice of our parliament is that when the Gentleman Usher of the Black Rod arrives he is to be admitted immediately. At the same time I should advise hon. members that I have received several notices relating to questions of privilege.

Some hon. Members: Hear, hear!

Mr. Speaker: In particular, a notice has been received from the hon. member for Winnipeg North Centre, and the hon. member for Peace River sent me a notice on the same matter.

I would suggest that to the extent that time is available the hon. members might be allowed to state briefly what the question is. In view of the fact that the notice from the hon. member for Winnipeg North Centre was received first, unless there is agreement between the two hon. members I would have to recognize the hon. member for Winnipeg North Centre first. However, I gather that the hon. member for Peace River has been chosen to speak first on this matter.

* * *

PRIVILEGE

MR. BALDWIN, MR. KNOWLES (WINNIPEG NORTH CENTRE)—RIGHT OF HOUSE TO DEAL WITH ROUTINE PROCEEDINGS AND QUESTIONS BEFORE PROROGATION

Mr. G. W. Baldwin (Peace River): Mr. Speaker, it is to uphold the dignity of this House, of myself, of the hon. member for Winnipeg North Centre and of all other members of the House, that we reject the attempt by the government to defraud members of the House of their traditional rights.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Baldwin: This constitutes a contempt of the House. In order to show our protest I want to call to Your honour's attention the presence of strangers in the House and I ask you to put the question forthwith that strangers be ordered to withdraw.

Some hon. Members: Ring the bells.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question of privilege, notice of which I sent to Your Honour yesterday, is substantially the same as that raised by the hon. member for Peace River.

This is an ordinary sitting day in the third session of the twenty-eighth parliament. It is a Wednesday on which normally questions on the order paper would be answered. There are scores, if not hundreds, of questions on the order paper for which I am sure the government has answers ready which should be given today, before they disappear from the order paper.

There is also the fact that a special committee of this House and the other place has been meeting while the House has been in recess and it is our understanding that it has a report ready to table. If we go ahead with prorogation without the calling of routine proceedings it will not be possible for the report to be tabled and, indeed, that committee will be dissolved as a result of prorogation. Any suggestion that this can be corrected by going through the proceeding of setting up the committee again in another session is, I suggest, an affront to parliament. We are here in session and there are many matters of substance on which hon. members have questions that should be asked. There are statements which should be made.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): I suggest that the government is hiding behind the royal prerogative because it is afraid to face the music.

Some hon. Members: Hear, hear!

Some hon. Members: Question!

Mr. Speaker: Order, please. The matter before the Chair at the moment is whether a motion should be put as suggested by the hon. member for Peace River. Obviously the Chair has no motion. According to the Standing Order the Chair has the power to order the withdrawal of strangers, that is, of all people in the galleries, which would include members behind the Chair. I suggest to hon. mem-

bers that this might be an exercise in futility. This would be done, of course, without putting a motion and without a vote. Hon. members must realize that the Chair has the power simply to order at this point that strangers withdraw from the chamber. I suggest to hon. members that it would not be proper for the Chair to take this initiative at this stage.

I did bring to the attention of hon. members right at the start of our proceedings this afternoon that it is a long established practice, both in this chamber and in Westminster, that when a summons, manifested by a knock on the door, comes to us from the other place it is the duty of the Chair to admit the messenger and to ascertainwhat the message is that he carries from the other place.

Mr. Baldwin: On that point, Mr. Speaker, at Westminster this practice has now been changed because of affronts of this kind. Now a written statement is given on royal assent. May I conclude by saying that in view of this fact I urge that the Speaker take note of this particular issue and seek advice on whether or not the Gentleman Usher of the Black Rod should come into this chamber without the consent of the chamber.

• (2:10 p.m.)

Mr. Speaker: Order, please. Without entering into a debate with hon. members, may I say that since the notices of this question were received I have studied the precedents very closely and I could not find a single precedent which would justify the Chair, on behalf of hon. members, refusing admission to the chamber to the Gentleman Usher of the Black Rod as the messenger on behalf of His Excellency's representative. We will admit the messenger.

PROROGATION OF PARLIAMENT

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

Mr. Speaker, it is the desire of the Right Honourable the Deputy of His Excellency the Governor General that this honourable House attend him immediately in the chamber of the honourable the Senate.

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

Whereupon the Deputy Governor General was pleased to close the third session of the twenty-eighth parliament of Canada with the following speech:

Honourable Members of the Senate:

Members of the House of Commons:

The third session of the twenty-eighth Parliament was opened on October 8, 1970. The 496 days that have elapsed since that time represents the longest period in history to pass between the opening and the prorogation of a session of the Parliament of Canada. During this period, the Senate has held 138 sittings, more than in any other session, and the House of Commons has held 244. You have enacted much important legislation and approved many government actions of great significance for Canadians.

During this session, Canada was honoured by the visit of Her Majesty the Queen, the Duke of Edinburgh and Princess Anne, all of whom participated in the celebrations of the Centenary of the Province of British Columbia.

[Mr. Speaker.]

The session began at a time when the peace and order of the nation was threatened. You approved actions to deal with these dangers and as a result the use of violence to attain unlawful objectives was discouraged and the rule of law maintained.

In the sphere of external relations, the Government has continued its policy of seeking new friends while strengthening relations with old ones. Canada exchanged ambassadors with the People's Republic of China and voted at the United Nations to install the Peking Government in the China seat. The Prime Minister visited the Soviet Union and in return the Soviet Premier visited Canada. The Prime Minister and his colleagues received the Presidents of Yugoslavia, Nauru and Niger; the Prime Ministers of the United Kingdom, Ceylon, Ghana, Malaysia, Fiji, Senegal, and Israel; the Foreign Ministers of France, Ireland, Roumania, Trinidad and Tobago, and Poland; and the Secretary General of the North Atlantic Treaty Organization. The Prime Minister visited the United States and the President of the United States has indicated that he will visit Ottawa this year.

Consistent with Canada's desire for closer relations with the countries of Latin America and with its determination to assume a more positive role in the Western Hemisphere, the Government applied for, and was accorded Permanent Observer status within the Organization of American States.

Aware of the significance for the world as a whole and for Canada in particular of the enlargement of the European Economic Community, Ministers have had frequent consultations with the European Economic Commission, the Government of the United Kingdom and the governments of member countries. The Prime Minister and his colleagues also received the President of the European Economic Commission.

The Government signed a Protocol on Consultations with the Soviet Union and entered into agreements for scientific and technological exchanges with Belgium, the Federal German Republic and the Soviet Union.

In furtherance of the priority Canadians have accorded to disarmament and arms control in the maintenance of world security, the Government has continued to take a leading part in the work of the Committee of the Conference on Disarmament, particularly in the efforts to reach a comprehensive Test Ban that would prohibit the testing of nuclear devices in the atmosphere, the oceans and underground.

To assist the developing nations of the world you have increased the total aid budget. In the recent tragic events in India and Pakistan, the Government moved quickly and effectively to bring humanitarian relief to the refugees in India and to assist in the rehabilitation of the war torn area.

Conscious of the need to explain to Canadians the changes taking place in defence policy and in defence planning for the future, the Government tabled in the House of Commons a White Paper on Defence.

In the past year, the growth rate of Canada's real Gross National Product has exceeded that of any industrialized country in the world. The rate, too, at which Canadians entered the work force surpassed that of all industrial nations. It is a matter of continuing concern to the Government that the rapid increase in the labour force has left many Canadians without work notwithstanding the impressive increase in the number of jobs created. The rise in output and in employment has been attained, however, without jeopardizing Canada's unmatched achievements in the area of price stability.

You have had to deal with some unusually difficult economic problems including a major crisis of the international monetary system. You passed the Employment Support Act to assist companies adversely affected by the temporary import surtax of the United States. In order to ensure continuing expansion of the economy, increasing employment and decreasing unemployment, the Government invoked a series of measures including a reduction of individual and corporate income taxes. To meet the special requirements of certain segments of our population, stimulate employment and encourage initiatives at the local level, Opportunities for Youth and Local Initiatives Programs were implemented.

To assist further the development of Canadian industry, you have approved the Textile and Clothing Board Act, and you have amended the Export Development Act, the Anti-Dumping Act and the Canadian New Zealand Trade Agreement Act.

You approved amendments to the Farm Improvement Loans Act, the Fisheries Improvement Loans Act and the Small Business Loans Act to facilitate, by means of a government guarantee, the provision of term credit by the chartered banks and other designated lenders to farmers, small businessmen and fishermen.

To assist the orderly conduct of business you have passed the Investment Companies Act and the Co-operative Associations Act.

Consistent with the Government's policy of encouraging the economic development of the less prosperous parts of Canada, you have amended the Regional Development Incentives Act.

To help develop and maintain strong Canadian-controlled and Canadian-managed corporations in the private sector and to provide Canadians with greater opportunities to participate and to invest in the economic development of Canada, you have approved the creation of a Canada Development Corporation.

Much of the time of this session has been occupied by the question of taxes. You have approved eight Acts affecting all manner of taxation in Canada and affecting some international tax agreements. The approval of one of these Acts resulted in the complete revision of the Canadian system of taxation and in a more equitable distribution of the tax burden amongst all Canadians.

You have also responded to the needs of Canadians for improved social services. You have provided more adequate income support for older citizens of modest means by amending the Old Age Security Act. You have made better provision for those who served their nation in time of war by amending the Veterans Pensions and Allowances Act, the Civilian War Pensions Act, the War Veterans Allowance Act and the Pension Act. You have provided workers with better employment conditions by approving amendments to the Labour (Standards) Code and you have given working Canadians improved income protection by amending the Unemployment Insurance Act and the Merchant Seamen Compensation Act.

Aware of the increased protection required by the Canadian consumer, you enacted the Packaging and Labelling Act and amendments to the Weights and Measures Act.

Your respect for the principle of equality before the law and your desire to protect Canadians in their dealings with the law caused you to enact the Bail Reform Act.

To protect the cultural diversity of Canada and to encourage Canadians of all cultural inheritances to contribute of their values and traditions to our society, the Government established a policy of multiculturalism.

During this session you have addressed yourselves to the concerns of the agricultural community. you have considered the problems of the marketing of agricultural products and you have passed the Farm Products Marketing Council Act. Appreciative of the particular problems of prairie farmers, you have revised the Grain Act and you have amended the Prairie Grain Advance Payments Act. You have passed the Crop Insurance Act. Farmers have also benefitted from the introduction of a two price system for wheat.

Your deep concern for the preservation of the environment for present and future generations of Canadians has led you to establish a Department of the Environment. To combat pollution you have amended the Canada Shipping Act. You have also passed the Clean Air Act and the Weather Modification Information Act. Recognizing that all nations must act in concert if the earth's vital resources and environment are to be preserved, Canada has continued its efforts to gain international agreement that will result in better protection of the interests of coastal states and in measures that will safeguard the quality of the environment.

In order that government respond more quickly and more sensitively to the needs and aspirations of Canadians in the seventies, you approved a measure establishing the Ministries of State. To enchance the quality of our urban life and to meet the new and immense challenges of technology, you have enacted measures which have resulted in the creation of Ministries of State for Urban Affairs and for Science and Technology.

As further evidence of your desire to adapt our legal and governmental institutions to the contemporary needs of our society, you have amended the Judges Act and the Senate and House of Commons Act and you have passed the Federal Court Act. You have approved the Statutory Instruments Act and to supervise its implementation you have established a Joint Committee on Statutory Instruments.

During this session, both Houses of Parliament have permitted their Committees to continue the important task of reviewing Government policy and administration.

A number of other significant initiatives and items of legislation were approved in this third session of the twenty-eighth Parliament. The laws which you have enacted and the Policies which you have undertaken are amongst the most important in our history. Though we have accomplished much, we have yet much to do. The pace of legislative reform and innovation must continue rapidly if we are to meet the challenges of the future. By applying ourselves to this task with energy and imagination, together we will make a lasting contribution to the strength, justness and prosperity of Canadian society.

Members of the House of Commons

I thank you for the provision you have made for the public services in the previous and in the current fiscal year.

Honourable Members of the Senate,

Members of the House of Commons,

May Divine Providence continue to bless our country.

This concluded the third session of the twenty-eighth parliament.